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4 'New Japans' Waiting in Wings to Pose a Fresh Economic Challenge to West

By Steve Lohr
 New York Times Service

TOKYO — Although the attention of the Western world has largely been attracted by the remarkable success of Japan, first in basic industries and increasingly in high technology, East Asian experts warn that Japan is simply the leading edge of a far broader economic challenge on the horizon.

That challenge centers on the growing economic might of the four "new Japans" — Taiwan, South Korea, Hong Kong and Singapore — all of which are moving out of such labor-intensive industries as textiles, footwear and electronic items into higher-technology industries.

These states have modeled their industrial development policies after those of Japan. As

Lee Kuan Yew, prime minister of Singapore, put it: "The Japanese have got it right."

The inherent strengths of the five nations combined have led one of the believers in the area's future, Mike Mansfield, the U.S. ambassador to Japan, to predict that the world is entering "the century of the Pacific," with far-reaching economic and strategic implications for the United States.

Lively Debate

Whether the economic success of East Asia is a threat to Western industry, an example from which to learn or an opportunity for well-positioned multinational corporations is a subject of lively debate.

The threat is evident. If the United States and West European nations cannot meet the East Asian challenge, it will mean further dete-

rioration of the industrial strength of the West and, most likely, heightened trade tensions.

The challenge is based on an old formula. East Asian nations have scant natural resources and generally rely on exports to fuel economic growth. The United States, East Asia's leading trading partner, is principally a supplier of raw materials to East Asia.

Some trade specialists say that as these countries increasingly export more sophisticated manufactured products, the United States is in danger of becoming an "economic colony" of East Asia, supplying raw materials and providing a market for profitable finished products.

"Over time we may come to think of ourselves as the agricultural hinterland to the East Asian industrial centers, a mere appendage to

the world economic heartland as it shifts westward across the Pacific basin," said Roy M. Hofheinz Jr., a former Harvard professor who is now a consultant, and Kent E. Calder, an instructor at Harvard, in a new book, "The East Asia Edge."

Dominance Feared

If current trends accelerate, it is feared, East Asian exporters will further penetrate the American market and dictate the terms of competition worldwide.

As Akio Mikuni, a financial consultant to many Japanese companies, observed, "Japan is now the global price-setter in autos, electronics and some semiconductor products; this is an epoch-making change that reflects the shift of competitive advantage toward Japan."

The strategic implications of the threat to

the industrial might of the United States are also unsettling, especially in light of the present U.S. military buildup.

"You have to have a strong industrial base to pay for those fighter planes and missiles and so on," said Clyde Prestowitz, U.S. deputy assistant secretary of commerce for international economic policy. In addition, Reagan administration officials have warned of the potential threat of becoming dependent on a foreign supplier for key high-technology weapons parts.

Whatever it means for the United States, the competitive pressure in East Asia is increasingly felt in Japan.

During the 1970s, the economies of rapidly industrializing Taiwan, South Korea, Hong Kong and Singapore grew at an average annual rate of more than 9 percent, while Japan

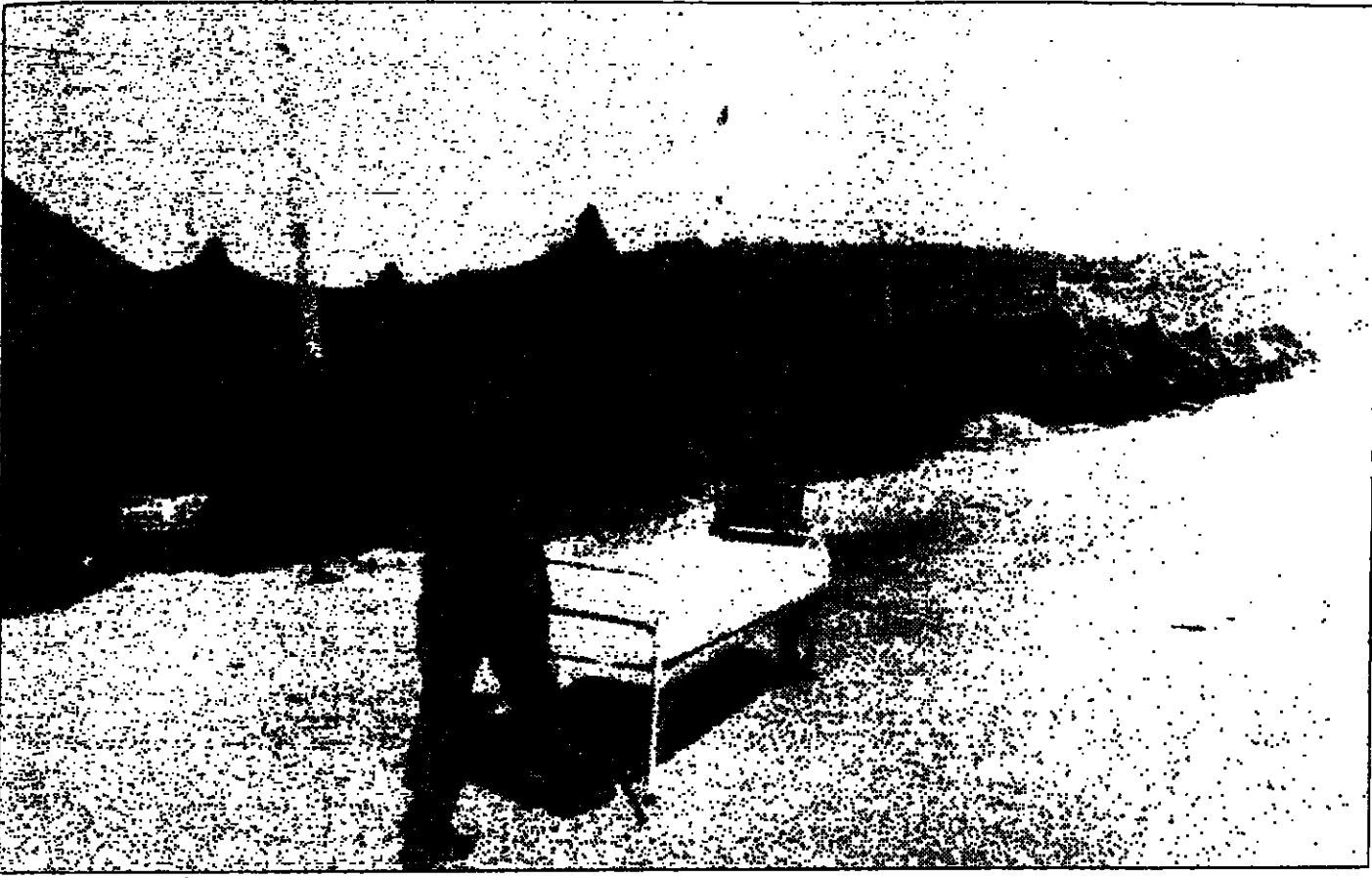
posted a yearly growth rate of 6 percent. For the United States, the rate was just 3 percent.

To be sure, growth has slowed for the East Asian economies during the current worldwide recession. But most economists expect that once the world picture brightens a bit, the East Asian economies will bounce back with a vengeance.

They predict that in the 1980s, Taiwan, South Korea, Hong Kong and Singapore will increase the size of their economies by 7 percent to 9 percent a year while Japan's more mature economy shows annual gains of 4 percent.

"Over the next couple of decades you will probably see more economic growth in this region than in the whole rest of the world," Clay-

(Continued on Page 2, Col. 5)



Tunisian soldiers carry a bed into a camp where some Palestinians will stay at Oued Zarga, 42 miles southwest of Tunis.

Convoy to Syria Delayed, Israelis Say

Compiled by Our Staff From Dispatches

TEL AVIV — An overland evacuation of about 3,000 Palestinian and Syrian fighters from Beirut will not begin Wednesday, an Israeli Army spokesman said Tuesday night.

"The delay has nothing to do with us," the spokesman said. "The Syrians and guerrillas who were to leave apparently have some technical difficulties with the arrangements."

He said evacuations scheduled by sea would go ahead normally.

In Beirut, U.S. officials met Israeli and Lebanese officers earlier Tuesday to discuss the overland

pullout, considered the most complicated part of the evacuation plan so far.

Palestine Liberation Organization guerrillas and officials had been scheduled to travel in 40 buses to Damascus, Israeli Army radio said. The radio quoted its correspondents as speculating that the evacuation was delayed for fear that Lebanese Christian militiamen would attack the convoy on the Beirut-Damascus highway.

As the fourth contingent of PLO fighters left Beirut on Tuesday on a Cypriot ship escorted by the U.S. Navy, fighting erupted in mountainous east of the Lebanese capital

close to the Beirut-Damascus highway.

Beirut radio said that Israeli and Syrian troops using machine guns and artillery battled about 12 miles (19 kilometers) east of Beirut. But Israel denied the report, saying that the Syrians were fighting with Lebanese Christian forces.

The Lebanese broadcast said the flare-up prompted Philip C. Habib, the U.S. special envoy who arranged the PLO withdrawal, to confer with Elias Sarkis, the Christian president of Lebanon, and Premier Shafiq al-Wazzan, a Muslim, on ways of checking the hostilities.

In addition, Lebanese police reported that leftist militiamen seized provincial government houses and police stations in Tripoli and other northern Lebanese towns in what appeared to be a mutiny against Monday's election of Bashir Gemayel, commander of Lebanon's largest Christian militia, as president, effective Sept. 23. Details were not immediately available.

The Tel Aviv newspaper Ma'ariv quoted Mr. Gemayel, 34, as having told an Israeli official a few days ago in Beirut that he intended to

U.S. Firm Obeys France's Order To Deliver Soviet Pipeline Parts

Compiled by Our Staff From Dispatches

WASHINGTON — Dresser Industries of Dallas bowed Tuesday to a French government order forcing its subsidiary to deliver 21 U.S.-designed gas compressors for the Soviet trans-Siberian pipeline.

Dresser asked the U.S. District Court in Washington to block Commerce Secretary Malcolm Baldrige and other government officials from penalizing the company for delivering the compressors, but the court Tuesday denied the company's request.

Judge Thomas Flannery, in refusing to issue a temporary restraining order, said Dresser failed to show "irreparable damage" would result if the order were not issued.

After a French government order was issued Monday, Dresser-France, the 800-employee subsidiary of the U.S. firm, sent three completed compressors into Le Havre's port to be loaded aboard a waiting French-owned freighter.

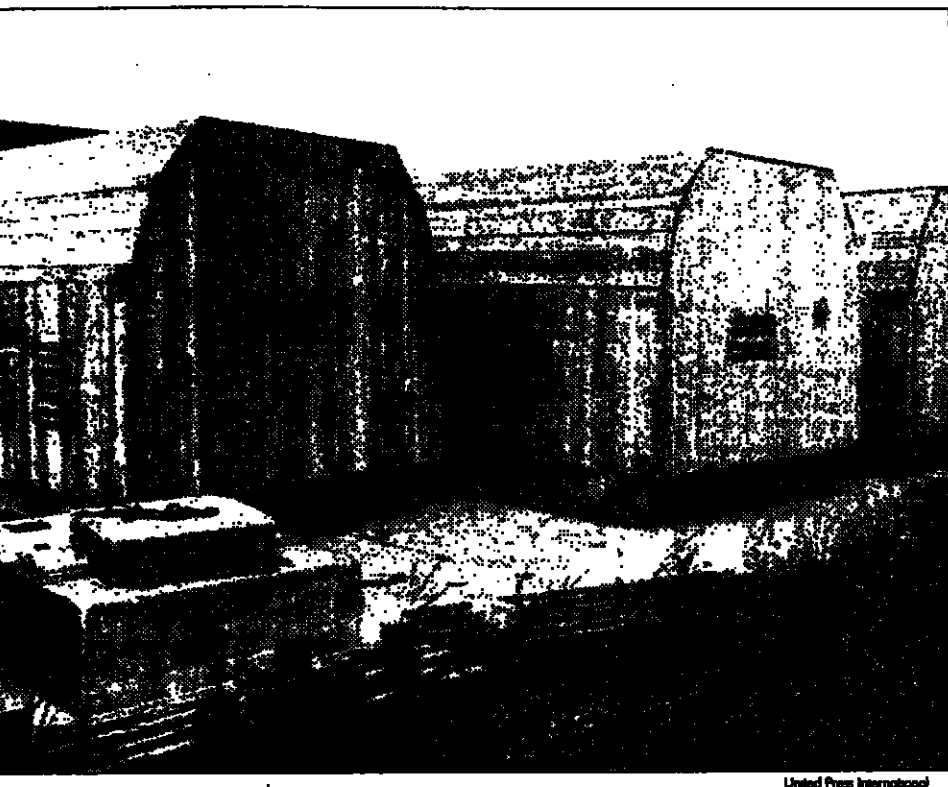
The ship is to sail for Riga, capital of Soviet Latvia, early Thursday.

Secretary of State George P. Shultz met Tuesday with top Treasury and Commerce Department officials to consider the next U.S. move in the escalating conflict with France over President Reagan's ban on the use of U.S. equipment in the Soviet pipeline to Western Europe.

No statement was issued after the meeting.

In California, where Mr. Reagan is vacationing, Larry M. Speakes, the White House deputy press secretary, said the group meeting in Washington would send recommendations to the president as quickly as possible.

Asked about Dresser's move in court, Art Brill, a Justice Department spokesman, said, "We are going to vigorously oppose the request for a temporary restraining



Three compressors made by a French subsidiary of a U.S. company for the Soviet gas pipeline to Europe stood on a Le Havre dock Tuesday waiting to be loaded onto a French-owned freighter.

INSIDE

INSIGHTS: John Darton, chief of The New York Times' Warsaw bureau, recalls the last three years of turmoil and analyzes the Soviet crackdown. Page 7.

INSIGHTS: The government of Zimbabwe claims that three men killed near the South African border were part of a destabilization effort. Page 4.

INSIGHTS: An army of migrant laborers have left India's farms and villages and converged on New Delhi in search of economic security and a better life. Page 4.

INSIGHTS: Losses in the hundreds of millions of dollars have been incurred by U.S. citizens who invested in Mexican financial instruments, attracted by high interest rates and by confidentiality. Page 9.

Arabs Predict Gemayel's Election Will Lead to New Lebanese Strife

By Henry Tanner
 New York Times Service

DAMASCUS — The election of Bashir Gemayel as president of Lebanon is viewed by Arab and Palestinian officials here as likely to touch off new strife in that country.

Any new fighting between Lebanon's Muslims and Christians, it is said, will make the withdrawal of Syrian and Israeli forces more difficult.

Arab diplomats said Monday that the nearly total boycott of the election by Muslim members of the Chamber of Deputies made it clear that Mr. Gemayel would not be able to gain the cooperation of the Muslim majority of the Lebanese population. They said that this was a result of his collaboration with the Israeli invasion forces and his commanding of the largest

Christian militia force in the fierce civil war five years ago.

This, they said, will encourage the most militant elements of that Phalangist militia to regard the election as a green light for moving against the more than 300,000 Palestinian civilians remaining in Lebanon.

Diplomat's Prediction

A ranking Western diplomat said that the prospect of new civil violence in Lebanon would be aided by both the Syrians and the Israelis as an argument for keeping their military forces in Lebanon indefinitely. Both are likely to maintain that their presence is needed to protect innocent people.

Leaders of the Palestine Liberation Organization, who still have thousands of guerrillas in and around the northern Lebanese city of Tripoli and in eastern Lebanon,



President-elect Bashir Gemayel, right, is congratulated by President Elias Sarkis at the presidential palace in Baabda.

Kissinger Creates Firm Of All-Star Consultants

By Don Oberdorfer
 Washington Post Service

WASHINGTON — Henry A. Kissinger has lined up a team of diplomatic and economic superstars, including Lord Carrington, the former British foreign secretary, to support Kissinger Associates Inc., an international consulting firm that is offering its services to blue-chip clients.

The Kissinger firm, for an annual retainer reported in economic circles to be \$250,000, plans to provide "strategic planning" advice to a few large corporate clients.

Mr. Kissinger is chairman of the firm, which was formed last month. Its president is Brent Scowcroft, who succeeded Mr. Kissinger in November, 1975, as White House national security adviser to President Gerald R. Ford.

Close Consultation

Mr. Scowcroft, a retired general, said Monday that the firm plans to supply expert advice on making international business decisions. He said it expects to work more closely with its clients than risk-assessment groups, which advise firms on the political and financial policies of foreign nations.

Some clients have already been signed up for the service, according to Mr. Scowcroft, but he declined to name them or to disclose the fees.

Among the members of the board of directors of Kissinger Associates, according to Mr. Scowcroft, are:

- Lord Carrington, who resigned as Britain's foreign secretary in April after the Argentine invasion of the Falkland Islands.
- Robert O. Anderson, chairman of Atlantic Richfield Co.
- Pehr Gyllenhammar, chief executive of Volvo, the Swedish automobile manufacturing firm.
- William D. Rogers, who served as assistant secretary of state for Latin American affairs and undersecretary of state for economic affairs while Mr. Kissinger was secretary of state. Mr. Rogers is now an attorney in Washington.

Mr. Scowcroft said that Kissinger Associates, with offices in

New York and Washington, will have a staff of about eight persons. Jeff Cunningham, formerly with a firm affiliated with Chase Manhattan Bank in the Eurocurrency market, is to be its secretary, according to Mr. Scowcroft.

Mr. Kissinger, since leaving office as secretary of state in early 1977, has served on the international advisory committees of Chase and of Goldman Sachs, as well as advising other business ventures. He has also been affiliated with Georgetown University's Center of Strategic and International Studies and has written two volumes of memoirs of his government service.

Mr. Kissinger was among the first persons to be consulted by George P. Shultz after Mr. Shultz was named secretary of state by President Reagan in late June. Mr. Kissinger was called in to advise Mr. Shultz on the Middle East and subsequently joined Mr. Shultz, Chancellor Helmut Schmidt of West Germany and Prime Minister Lee Kuan Yew of Singapore at Mr. Shultz's home in California.

At a news conference last Friday, Mr. Shultz called Mr. Kissinger "a wonderful person and a great friend" with "tremendous comprehension of what is going on." He said he expects to "continue to benefit" from Mr. Kissinger's advice.

Egyptians Say Lebanon Invasion Dissipated Middle East Peace Process

Officials Vow to Honor Treaty With Israel, but Insist on U.S. Recognition of Palestinian Right to Self-Determination

By William E. Farrell
 New York Times Service

CAIRO — On April 25, when Israel, honoring the terms of the Camp David peace treaty, returned the Sinai Peninsula to Egypt, the Egyptian government let a doubting Arab world know in explicit terms that diplomacy had worked where military actions had not.

A senior Egyptian official said, "We were able to assure Arab countries that you could sit around a table and talk with the Israelis, that there was hope."

"Our hope was that the Sinai withdrawal would be a building block."

The official, who did not wish to be identified, then added that all such hopes dissipated June 6 when Israel invaded Lebanon.

"That adventure destroyed five years of work," he said.

"Because of this aggression we are back to square one on the whole process of peace in the Middle East."

For the Egyptians, the only Arab nation to sign a peace treaty with Israel, an action that caused them to be ostracized by most of the other Arabs, the Lebanese invasion has forced the government of President Hosni Mubarak into painful gyrations.

Egypt has been forced to distance itself publicly from its chief provider of military and economic aid, the United States, while, at the same time, it has casti-

gated Israel just short of abrogating the peace treaty.

The Egyptian official said, "We won't abrogate the treaty. It is a point of honor and we won't go back on it."

Mubarak Damaged

But he did not minimize the bitterness the Israeli invasion had provoked.

Another official, who has access to the president, said in a separate interview that Mr. Mubarak suffered "a lot of damage" in the ruling National Democratic Party, but that so far he was withstanding pressure to disown the Israeli treaty.

But there is concern, the official said, that the invasion will provide fuel in Egypt for Muslim fundamentalists of the stripe who condoned the assassination of Anwar Sadat in October.

The first official echoed this concern, saying the potential for exploiting the invasion to criticize the peace treaty with Israel sent shudders through Egyptian officials.

Both officials said that, now that the withdrawal from West Beirut was under way, the United States must alter its policy toward the Palestine Liberation Organization and had a prime opportunity to recognize "the right to self-determination of the Palestinians."

But neither was particularly optimistic that U.S. policy would be significantly altered.

Mounting criticism of the Americans is reflected in the tone of the government-controlled press and is designed to steer Egypt away from the somewhat ambivalent stand it has been forced to take.

It is clear that, as one of the officials put it, "the classic themes of Egyptian and Arabic political propaganda are back again."

This was an allusion to renewed expressions and criticisms that the Israelis were "expansionist" and "bent on obliterating the Arabs" with the assent of the United States.

In addition, Egypt has been obliged to defend itself, as one of the officials said, against charges that Camp David had really brought the Egyptians little or nothing.

"Our great hope is that the United States will pressure the Israelis to settle with the Palestinians," he said, "but we don't see this drastic change."

The long-stalled autonomy talks, aimed at providing a system of self-government for the 1.3 million Palestinian Arabs of the West Bank and Gaza, are at a new level of futility, the two officials said.

Both said they feared a renewal of PLO-inspired terrorist acts such as the plane hijackings of several years ago.

A major shift in U.S. policy is needed, the senior

official said, because "we need this kind of political victory to reinforce the Palestinian position and our position and that of the moderate Arab countries."

"We are being told by other Arabs — negotiate? For what? After what has happened how can you still talk about coexistence or dialogue with the Israelis?"

President Mubarak discusses what it will take to revive the Middle East peace process. Insights, Page 7.

The second official said, "This is the moment, the critical juncture."

"If it is seized by the United States, it can be galvanized and in five years there can be Palestinian self-determination."

"If this opportunity is lost, then God save our soul."

Both officials said intensified efforts at normalization of relations between Egypt and Israel were indefinitely in the deep freeze because of the Israeli invasion of Lebanon.

"We are still at the beginning of the consequences of this adventure," the senior Egyptian official said.

Relief Supplies Reportedly Freed

Reversing an earlier position, Israel has granted permission for an Egyptian ship carrying 2,000 tons of food and medical supplies for Palestinians and Lebanese trapped in West Beirut to enter Beirut harbor, the official Cairo Radio said Tuesday, according to a UPI report from Cairo.

U.S. Judge Signs Accord On Breakup of AT&T

The Associated Press

WASHINGTON — A federal judge Tuesday signed an antitrust settlement requiring the breakup of American Telephone & Telegraph Co., closing an eight-year legal battle.

U.S. District Court Judge Harold H. Greene signed the agreement between the Justice Department and AT&T around 5 p.m., giving it the force of law. Judge Greene acted less than two hours after AT&T and Justice Department attorneys filed the final version of the settlement, incorporating a series of conditions that the judge laid down Aug. 11.

Mr. Scowcroft said that Kissinger Associates, with offices in

Israel Says Poor Oversight Allows Palestinians to Violate Beirut Pact

By James Feron
New York Times Service

JERUSALEM — Israel is complaining that Palestinian guerrillas leaving Beirut are being allowed to violate a carefully negotiated evacuation plan through improper supervision.

Officials in Jerusalem said Monday that there was no apparent registration of the evacuees, that they were departing with weapons and equipment they should be leaving behind and that women and children disguised as men were among those departing.

Israeli officials indicated that they were unwilling to make a major issue of the violations because to do so would undermine their principal objective of seeing that the guerrillas left Lebanon for other Arab countries.

As a result, the Israelis have muted their criticism of French and Lebanese soldiers, charged with supervising the evacuation, and of Philip C. Habib, the American negotiator, who permitted 20 jeeps to be loaded aboard an evacuation ship Sunday with 1,000 guerrillas bound for Cyprus.

Common Objective

This apparent unwillingness to do anything to interfere with the evacuation plan also has seemingly prompted military leaders to refrain from responding vigorously to repeated violations by Syrian or Palestinian forces in the Bekaa Valley in eastern Lebanon.

"We're all interested — Mr. Ha-

bib, the Lebanese, the Israelis — in getting the PLO out," a ranking Israeli government official said, referring to the Palestine Liberation Organization. "And it's not a question of whether there are violations, but what are we going to do about it?"

The answer, in the view of most Israelis, is very little. At Beirut's port, the Israelis complain each day to Mr. Habib. On Sunday they sought briefly to block the Cypriot ship from leaving. But the evacuation has continued, with checking procedures seemingly ignored in many cases.

Officials here concede that any heavy military response against the Arab units entrenched in eastern Lebanon could spread and disrupt the evacuation because the Beirut-Damascus road, a planned exit route for the final stage of the evacuation, passes through the lines of the confronting armies.

Israel has no direct role in the evacuation, which is being supervised at this stage by the Lebanese Army and some French paratroopers, the first contingent of a multinational force that has agreed to stay only for one month.

But the Israelis have been able to watch the departure of the Palestinians at least with binoculars, and evidently have not liked what they have seen, from the tardy arrival of the Lebanese the first day — they were said to have overstepped — to efforts Monday by guerrillas to take unauthorized weapons, such as rocket launchers.

On Sunday, in a move criticized by the U.S. defense secretary, Caspar W. Weinberger, Israeli gunboats blocked the port for six hours when it was discovered that Palestinians had loaded jeeps aboard the ferry leaving for Cyprus.

An Israeli official said Monday that the blockade was lifted "only in this case" after a request from a "high American official."

Jerusalem expressed surprise and annoyance at the action from Washington.

"In the first place, we're still in a state of war and justified, we believe, to take such action," an official said. "The Americans only have to recall Cuba and Vietnam to know that blockades sometimes are called for. Second, we agreed to a detailed plan that leaves no room for jeeps to go with the Palestinians."

The Israelis say they have also seen women and children climbing aboard the ship disguised as men wearing kaffiyehs, or Arab head-dresses. According to the evacuation plan, families of guerrillas are permitted to leave, "but not in disguise to confuse the numbers."

The Israelis say they are unaware of the registration of evacuees, which the Habib plan calls for. Such scrutiny may be under way at staging areas in West Beirut, but reporters and other observers of the process in the port have seen no attempts by the French or Lebanese to check names or luggage.



QUARTIER DES HALLES — The vast Parisian development project in the old central market area of the city is nearing completion. The last few buildings — an amphitheater, apartments, a hotel, offices and a cultural center — will be finished by 1984. Work began in 1971.

China-Pennsylvania Trade Battle Erupting Into a Mushroom Cloud

By Thomas W. Lippman
Washington Post Service

WASHINGTON — This trade dispute has everything: pizza, Communists, botulism, tariffs, high-powered Washington lawyers, jobless workers in Pennsylvania, federal regulators, bad jokes and, most of all, mushrooms.

The mushrooms, hordes of them, are coming from China to the United States, where they wind up decorating the tops of pizza slices. Mushroom growers in Pennsylvania, the self-proclaimed world's mushroom capital, are asking the U.S. International Trade Commission to restrict imports of the canned mushrooms, calling it a "Chinese mushroom cloud over the U.S. marketplace."

The Chinese, the American importers, and Pizza Hut, a major consumer of the imported mushrooms, have joined forces to fight the Pennsylvania producers. The U.S. canners, in the words of Bart S. Fisher, attorney for the importers, are "motivated by greed and fear," and trying to create a "great wall" of protectionist barriers to the imported competition.

The International Trade Commission was scheduled to hear arguments Tuesday on a petition by the American Mushroom Institute for sharp reductions in the amount of canned mushrooms from China that can be imported each year. The institute, which represents the

American producers, argues that China, "which is dominated or controlled by Communists," is "dumping" its mushrooms by selling them at less than fair-market value to capture a larger share of the \$400-million-a-year U.S. market.

Pre-emptive Strike

Mr. Fisher, who is known for his unorthodox, high-profile, confrontational approach to international trade disputes, staged a pre-emptive strike Monday by calling the press — including reporters from the New China News Agency and People's Daily of Peking — to a briefing here in the conference room of his firm, Patton, Boggs and Blow.

Across a table laden with fresh, canned and dried mushrooms, Mr. Fisher argued that the U.S. canners are victims of unfair practices by China but of a growing consumer preference for fresh mushrooms, of a recession that has reduced the buying of nonessentials and of fear of botulism, a lethal form of food poisoning, which Mr. Fisher said consumers allegedly associate with the U.S. product.

He said that Kennett Square, Pa., the center of the U.S. mushroom industry, is "not the mushroom capital of the world but the botulism capital of the world."

Jack Kooker, executive director of the American Mushroom Insti-

tute, said that Mr. Fisher's charge "doesn't deserve a response."

He said that the U.S. industry "has been impacted" by the imports. "People are being laid off in the canneries," Mr. Kooker said. "There are a lot of jobs being sacrificed because of these imports."

The Mushroom Institute is just one of many U.S. food-producing organizations seeking federal relief from imports, but its petition is unusual because mushroom imports are declining and because the mushroom canners already have special tariff protection as a result of an earlier complaint.

The mushroom industry has undergone a spectacular growth in the past decade, according to figures submitted by both sides in advance of Tuesday's hearing, but the market is now dominated by fresh, not canned, products.

Total U.S. production was 58 million pounds in 1971. In 1981, it was 267 million pounds. The fresh mushroom share of the market doubled, from 28 to 56.7 percent of production.

China, which developed a modern, efficient mushroom-canning industry for the European market about a decade ago, was not a factor in the U.S. market until 1980. Then for the first time it was accorded "most favored nation" trade status and was able to challenge Taiwan and South Korea for a share of the U.S. trade.

Pole Says Protests Will Be Broken

The Associated Press

WARSAW — Gen. Wojciech Jaruzelski, the Polish martial-law leader, warned in a speech to factory directors that opposition activities "must be broken," the Communist Party newspaper Trybuna Ludu reported Tuesday.

"Brawlers have no chances," Gen. Jaruzelski was quoted as telling leaders from more than 200 factories on Monday.

The warning from Gen. Jaruzelski, who declared martial law Dec. 13 and suspended the independent labor movement Solidarity, was issued amid growing government criticism of the union's underground and new attacks on Western "slander."

Party and government leaders appear to be strongly worried about possible protests called for by underground Solidarity leaders

next Tuesday, the second anniversary of the first independent union in the Soviet bloc.

The government has already said several times it will deal forcefully with any protests.

It also called diplomats at embassies of the United States, France, Britain and West Germany during the past week to protest "subversion" in Western radio broadcasts to Poland, state-run media reported Monday.

Gen. Jaruzelski was quoted as telling the factory leaders, "The main target is speeding up getting out of the crisis with the lowest possible political and social costs. Successive attempts to undermine social peace, which could occur, must be broken."

Polish leaders have grown increasingly angry in the past week after a series of demonstrations and protests that were broken up by police.

Knotting erupted in Gdansk on Aug. 13, and police using water cannons dispersed crowds in Warsaw, Krakow and Wroclaw during

gatherings marking the eighth month of martial law.

Tough new warnings by the authorities followed an unexpected visit by Gen. Jaruzelski to Soviet President Leonid I. Brezhnev last week.

In Monday's account of Poland's warning to foreign diplomats, the state-run news agency PAP said they were summoned and told to show broadcasts by the Voice of America, Radio Free Europe, the British Broadcasting Corp., Radio France International and other Western stations were "slandering the Polish state authorities, backing activity of illegal groups and broadcasting untrue news and commentaries."

U.S. and British officials said the protest was made last Friday.

PAP said, "The Polish Foreign Ministry demanded the stopping of this kind of activity and reserved for itself the right to adopt appropriate measures."

It added that protests might be filed with "appropriate international organizations."

Conservative Group In Catholic Church Gets Own Prelate

Reuters

VATICAN CITY — Pope John Paul II has given a significant boost to the power and prestige of Opus Dei, one of the Roman Catholic Church's most influential and conservative lay organizations, by giving it its own prelate.

Opus Dei, which means "Work of God," has many critics among progressive Catholics who recall its origins in Spain and influential role under Franco. Vatican sources said the movement has acquired increasing influence in the church government under Pope John Paul.

Monday's announcement by the Vatican means that the 72,000-member group will have more independent control over its 1,000 priest members because it will no longer have to rely for support on the political leanings of the local hierarchy. Vatican sources said this could have far-reaching implications for the church in areas where Opus Dei is traditionally strong, like Latin America.

The new prelate is expected to be the group's leader, Spamiard Don Alvaro del Portillo, Vatican sources said.

4 'New Japans' Waiting To Challenge the West

(Continued from Page 1)

ton Yeutter, former deputy U.S. trade representative and now president of the Chicago Mercantile Exchange, said during a recent visit to Tokyo. "East Asia is the place for American business to make real efforts."

No Easy Transition

At present, East Asian countries other than Japan are top-flight producers of steel, ships, offshore oil rigs and black and white television sets. But the transition into more sophisticated industries, including autos, semiconductors and computers, will not be easy.

For one thing, as they upgrade their economies, they begin to nip at the heels of Japan. And while the Japanese economy is no longer so dependent on such basic industries as shipbuilding and steel, it is the world leader in these fields, and it is not abandoning them.

Furthermore, whereas Japan has a century-long history of industrialization, Taiwan and South Korea were agrarian societies until the 1950s and suffered under decades of Japanese colonial rule. For their part, Hong Kong and Singapore are small island city-states that are mainly trading and service centers. These differences raise questions about whether, or in what form, the "new Japans" can in fact emulate Japan.

Nobumitsu Kagami, an economist for Hong Kong's Jardine Fleming Investment Services Inc., said, "These countries can never really be like Japan; trying to move up into higher value-added

WORLD BRIEFS

32 Arrested in Northern Ireland City

LONDONDERRY, Northern Ireland — Police and British troops made 32 arrests just before dawn Tuesday in Roman Catholic areas of Londonderry, in connection with "murder and other serious crimes," police said.

They declined to list specific crimes or if any of those detained were suspected Irish Republican Army members. Sinn Fein, the legal political wing of the outlawed IRA, said most of those detained were "republicans" — Catholics seeking to end British rule in Northern Ireland.

The suspects can be held for seven days without charges under the Prevention of Terrorism Act. The arrests followed the murders of three policemen, three British soldiers, one Ulster Defense Regiment member and one civilian in the Londonderry area since March. Most of those killed were Protestants.

Record Unemployment in Britain

LONDON — Unemployment in Britain rose this month to a record of 3,292,702, or 13.8 percent of the workforce, the government announced Tuesday.

The rising number of jobless, 100,000 more than in July, brought renewed criticism from opposition politicians and calls for action to stimulate the economy.

The number of unemployed is proving to be an embarrassment to Prime Minister Margaret Thatcher, whose Conservative Party fought the Labor administration in the 1979 election on the slogan "Labor Isn't Working." Unemployment then stood at 1,390,000.

Argentine Economy Minister Resigns

BUENOS AIRES — José María Dagnino Pastore resigned Tuesday after 54 days as minister of the economy in an apparent dispute with the military government over planned wage hikes and other economic policies.

Mr. Dagnino Pastore took office on July 1. He shifted the Argentine economic program from the free market policies instituted by former Economy Minister José Martínez de Hoz in the late 1970s.

Under the new program, Mr. Dagnino Pastore let the U.S. dollar float against the peso, causing the dollar to increase in value from 13,400 pesos in July to a current rate of about 60,000 pesos.

300 Khmer Rouge Back in Cambodia

BANGKOK — Three-hundred guerrillas who defected from the Khmer Rouge and entered Thailand last week have returned to Cambodia to join resistance forces loyal to Prince Norodom Sihanouk, military sources said Tuesday.

The guerrillas and their dependents left a refugee camp on the Thai border a few days ago for an area where pro-Sihanouk forces are based opposite Thailand's northeastern province of Surin, the sources said.

They also quoted Thai military intelligence as saying that an additional 3,000 Khmer Rouge were preparing to join the prince's forces.

Kenya Seeks Aid for Coup Damage

NAIROBI — The Kenyan government has asked Western nations for additional assistance of about \$125 million to help repair damage caused by an abortive coup on Aug. 1, diplomatic sources said Tuesday.

The sources said the request was made in a letter circulated last week to the U.S., British, Scandinavian and other Western embassies in Nairobi.

President Daniel Arap Moi has estimated the damage caused during a few hours of looting in the capital's main shopping centers at more than \$100 million. The rebellion, which was led by junior air force officers, left 145 persons dead.

Compiled From Agency Dispatches

China Pressing France For Advanced Fighters

Compiled by Our Staff From Dispatches

PARIS — China has been pressing France to sell it the new Mirage 2000 fighter aircraft, but no negotiations are under way, French Defense Ministry officials said Tuesday.

In an interview with Agence France-Presse, Hu Yaobang, the Chinese Communist Party chairman, said China was ready to buy and co-produce French Mirages.

Charles Hernu, the French defense minister, had talks last week with Gen. Yang Dezheng, the chief of staff of China's armed forces. Mr. Hernu said afterward that China was interested in a Mirage 2000 deal that would include joint production.

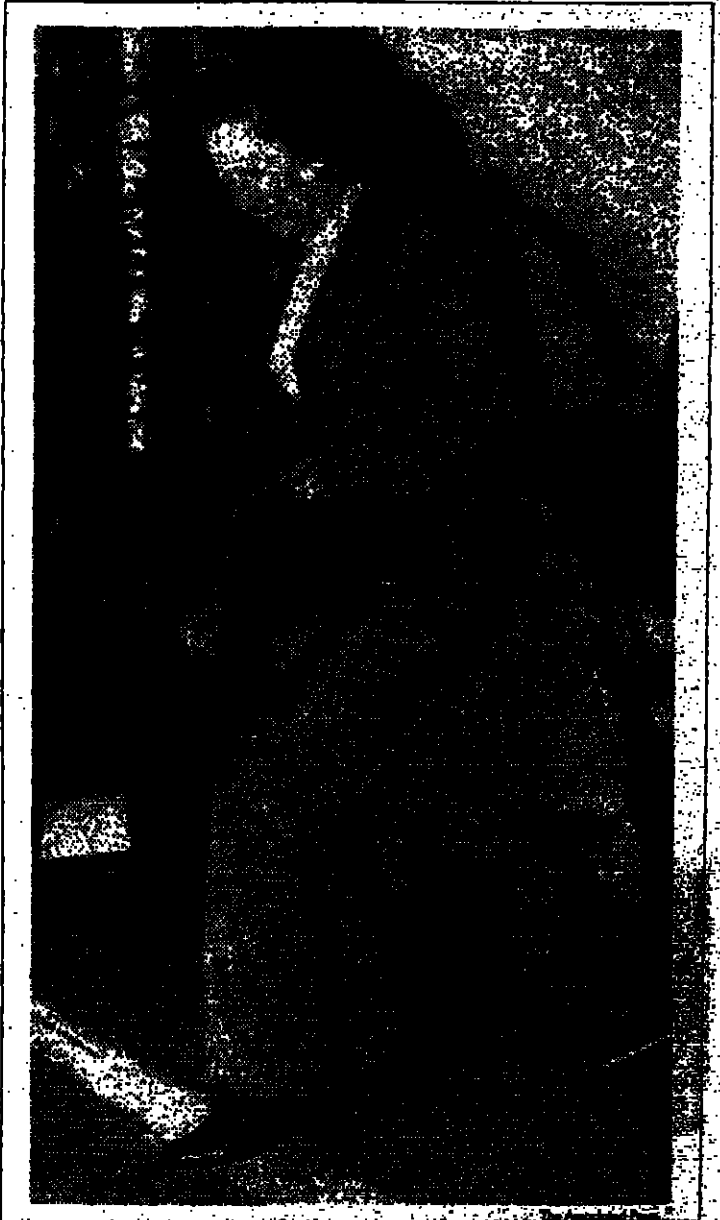
During a visit in late July and early August to Peking, Claude Cheysson, France's external relations minister, said France was ready to sell "defensive arms" to China. He did not elaborate. China has bought 50 French Dauphin helicopters and long-range radar equipment. It is seeking Crotale anti-aircraft and MILAN anti-tank missiles, French Defense Ministry officials said.

The United States has said it would consider weapons sales to China on a case-by-case basis. China, however, has not pursued the offer because of U.S. arms sales to Taiwan. China has said it would not buy U.S. weapons if the purchases led U.S. officials to conclude that they could continue jet fighter sales to Taiwan.

Valéry Giscard d'Estaing, the former French president, sidestepped the issue of selling Mirages to China to avoid antagonizing the Soviet Union.

According to The Associated Press, French sources said Mr. Hu told French journalists Monday that China is very pleased with the purchase and co-production of French helicopters and wants to expand Chinese-French cooperation.

Mr. Hu did not say how many of the sophisticated jets China wants to buy and co-produce. China and France have been discussing the Mirage for several years, but talks have been unproductive.



LEAVING THE HOSPITAL — Margaret Thatcher, the British prime minister, left a hospital in London on Monday after successful surgery for varicose veins in her legs. A doctor said the veins had been giving her "a little pain."

Syria Convoy Is Canceled, Israelis Say

(Continued from Page 1)

sign a peace treaty with Israel within seven months.

Crowds gathered at the Municipal Stadium assembly center near the devastated PLO command headquarters, meanwhile, to watch the fourth contingent of Palestinian guerrillas board trucks for the drive to the Beirut port. Many bystanders gave the fighters a sendoff by wildly shooting in the air.

The 1,000 PLO guerrillas, made up mostly of fighters from the mainstream faction of Fatah, were bound for North Yemen, on the Arabian Peninsula at the southern end of the Red Sea. More than 3,000 PLO guerrillas have left the city since Saturday for Tunisia, Iraq, Jordan and Southern Yemen.

Marines Reported in Beirut

Sources in Washington told United Press International that a "handful" of U.S. Marines had entered Beirut for a preliminary inspection of the city before the arrival later this week of the remaining members of an 800-man U.S. unit.

The main body from the 32d Marine Amphibious Unit is expected to deploy Thursday from five amphibious ships off the Lebanese coast or by helicopter.

The Marines are under strict orders not to engage in combat and will withdraw along with French and Italian units of the multinational force if there is any breach of the cease-fire or the evacuation agreement. Individual Marines, however, may exercise the right of self-defense if they are fired upon.

In Tel Aviv, Prime Minister Menachem Begin told the Knesset Foreign Affairs Committee on Tuesday that Israeli forces never intended to enter West Beirut. Israeli radio quoted Mr. Begin as having told the closed meeting that the PLO would not have been pressured into leaving the city if Israel's position had been made public.

Israeli radio also announced that Defense Minister Ariel Sharon would meet later this week in Washington with Secretary of State George P. Shultz.

Russian Foresees No Need at Once For U.S. Grains

Reuters

MOSCOW — The extension for another year of the long-term U.S. Soviet grain agreement does not mean that Moscow will resume grain purchases immediately, the president of the state grain-importing agency said Tuesday.

Victor Pershin of Exportkhleb, asked to comment on the decision, which was revealed in Washington Friday, said, "The extension of the agreement does not mean that we will be rushing into buying."

Under the extension, the United States would guarantee shipment of 6 million to 8 million tons of wheat and corn over the 12-month period starting Oct. 1.



Two women PLO guerrillas, with their weapons, waited Tuesday to be taken to Beirut's port for evacuation to North Yemen.

Arabs Foresee Strife After Lebanese Vote

(Continued from Page 1)

southern Lebanon and then during the invasion.

U.S. Officials Optimistic

Bernard Gwertzman of The New York Times reported from Washington.

Officials of the Reagan administration regard Mr. Gemayel's election as a positive development because it could facilitate the evacuation of Syrian and Israeli troops from Lebanon.

The view Monday in Washington was that Mr. Gemayel can be expected to give priority to asking the Syrians to leave the Bekaa Valley, where 30,000 troops are believed to be garrisoned.

Mr. Gemayel's close ties with Israel should also make it easier to bring about the withdrawal of the Israelis, officials said.

President Reagan, vacationing in California, sent a congratulatory message to Mr. Gemayel within hours of his election. The White House said that the United States would "work closely with the new government in the complex and difficult task ahead."

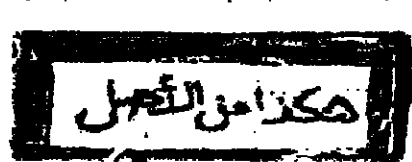
The White House said that the election "holds out the possibility of strengthening the central government of Lebanon," which is one of the priorities stated by Mr. Reagan on Friday, along with bringing about the withdrawal of all foreign troops from Lebanon

From July 5th through August 27th, Monday through Friday, the International Herald Tribune will present the news in English at 10 a.m. on radio station RMC.

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Reaction to War Plan Irks Weinberger

In Interviews and Speeches, He Responds to Critics of New Nuclear Strategy

By Richard Halloran
New York Times Service
WASHINGTON — For the past 10 weeks, little seems to have disturbed Secretary of Defense Caspar W. Weinberger so much as news reports, repeated questions and continuing criticism of his strategy for protracted nuclear war.

In speeches, press and television interviews, letters to editors, background briefings and private conversations, Mr. Weinberger has vigorously contended that the strategy has been misunderstood and taken out of context.

With unveiled irritation, he has also asserted that disclosure of the strategy, set forth in a Pentagon document that he signed, has given ammunition to advocates of a freeze on nuclear weapons, unilateral disarmament and accommodation with the Soviet Union.

Turmoil over the nuclear strategy has become so unsettling in Western Europe, administration officials say, that Mr. Weinberger has asked Richard V. Perle, assistant secretary for international security policy, to try to restore calm on a forthcoming trip to European capitals.

In his office the other day, Mr. Weinberger said that the issue had

consumed much of his attention since the first news report appeared in late May. "We've spent a very large fraction of our time," he said, "trying to assure people that we aren't going around here trying to plan how to keep the war going for several years."

Accounts of the strategy sounded "as if we were sitting around here plotting how to play a long nuclear war," he said. "We aren't planning to fight any war, if we can avoid it. We're planning to deter war."

Mr. Weinberger said the disclosure that U.S. nuclear forces had been ordered to "prevail" had caused much commotion. "I've been to several meetings at which the word 'prevail' has been hurled at me with great venom by some fellow, usually in the back of the room," he said.

"What does he want?" Mr. Weinberger said. "Does he want us not to prevail? You show me a secretary of defense who's planning not to prevail and I'll show you a secretary of defense who ought to be impeached."

The issue of protracted nuclear war arose from disclosure of the classified five-year plan called Defense Guidance that is intended to provide strategic direction to the military services. The document

provided the military content for a wider foreign policy study in the White House and laid out a military strategy ranging from guerrilla warfare through conventional conflict to nuclear war.

The guidance document said that in a confrontation with the Soviet Union, the United States would seek to prevail at the lowest possible level of conflict. But it said that if conventional weapons were "insufficient to insure a satisfactory termination of war, the United States will prepare options for the use of nuclear weapons."

Administration officials have said publicly that the United States must retain the option of using nuclear weapons first, if that became necessary. Otherwise, they have contended, the Soviet Union might have an advantage in conventional weapons.

A key order in the guidance paper said, "The primary role of United States strategic nuclear forces is deterrence of nuclear attack on the United States, its forces and its allies. Should such an attack nevertheless occur, United States nuclear capabilities must prevail even under the condition of a prolonged war."

If deterrence should fail, the document said, the United States must "deny the Soviet Union or

any other adversary a military level at any level of conflict and force earliest termination of hostilities on terms favorable to the United States."

"We've said many times that we don't think nuclear war is winnable," Mr. Weinberger said in the interview. Asked how that differed from prevailing, Mr. Weinberger replied, "We certainly are planning not to be defeated."

Defense Guidance ordered military planners to devise what nuclear strategists call "decapitation" strikes intended to eliminate Soviet leaders.

They were instructed to plan nuclear attacks on "associated control facilities, nuclear and conventional military forces and industry critical to military power." Included would be attacks on Soviet nuclear forces to limit "damage to the United States and its allies to the maximum extent possible."

Specialists on nuclear war have said the most important element in a nuclear exchange would be to retain means of communications. Only that way could missile, bomber and submarine crews be directed when and what to attack.

Defense Guidance, reflecting that thought, said the United States must have communications "capable of supporting controlled nuclear



Caspar W. Weinberger
ar counterattacks over a protracted period."

Richard D. DeLauer, undersecretary of defense for research and engineering, said in a recent speech, "In this next five-year period, we have got close to \$20 billion for command, control, communications and certain parts of intelligence." Even so, he said, that would not be adequate.

Finally, Defense Guidance said the United States must "maintain in reserve, under all circumstances, nuclear offensive capabilities so that the United States would never emerge from a nuclear war without nuclear weapons while still threatened by enemy nuclear forces."

Anti-Kennedy Mail Prompts Probe

Senate Panel Asks if Postcard Campaign Involved Fraud

By Paul Taylor
Washington Post Service
WASHINGTON — The Senate Ethics Committee, which has been deluged with 60,000 postcards calling for an "emergency investigation" of Sen. Edward M. Kennedy's conduct at Chappaquiddick, indeed wants an investigation — of the conservative group that orchestrated the mail campaign.

The committee's Republican chairman, Malcolm Wallop of Wyoming, and its ranking Democrat, Howell T. Heflin of Alabama, sent a letter to the U.S. Postal Service last week asking to be informed of any mail fraud violations by the United States Justice Foundation, a Southern California group that launched the drive against the Massachusetts Democrat this spring.

A spokesman for the Postal Service said Monday that a preliminary mail fraud investigation, based on complaints from people who received the mailing, has begun.

Gary C. Kreep, an Escondido, Calif., lawyer who directs the foundation, said Monday that he was "stunned and baffled" that anyone would be investigating his mailing. He added that he had "absolutely no intention to defraud anyone."

The letter in question is a four-

page solicitation for funds and postcards. It has been sent over the past four months to 600,000 people on various conservative direct-mail lists.

The letter recounts the events of the night of July 18, 1969, when Mary Jo Kopechne, who had worked in the 1968 presidential campaign of the late Robert F. Kennedy, drowned when a car driven by Edward Kennedy went off a bridge on Chappaquiddick Island in Martha's Vineyard, Mass. The senator did not report the accident for eight hours.

The letter reveals no new facts

about the case, but it claims that Sen. Kennedy has been allowed to cover up his actions. He received a suspended sentence for leaving the scene of an accident.

Mr. Kreep said the letter has generated roughly \$100,000 in contributions. Most of that money has been spent on additional mailings, he said.

A spokesman for the Ethics Committee said a mail fraud charge would be based on whether the wording of the letter could lead a recipient to conclude that the foundation was using his money to conduct its own probe.

The foundation is actually using the money to lobby the committee, a fact that Mr. Kreep said the letter makes plain.

"This letter was combed over by 12 lawyers before it went out," said Bruce W. Eberle, whose Vienna, Va., direct mail firm is handling the foundation's account. "There's no problem with it. The whole thing is much ado about nothing."

Mr. Eberle, who ranks just behind Richard Viguerie as the nation's largest conservative direct-mail fund-raiser, said the letter went out this spring because "Kennedy is up for re-election and he is always a good target for conservatives." Mr. Kreep denied a political motive.

N.Y. Youth Left to Die After Subway Shooting

The Associated Press
NEW YORK — A youth who was shot on a crowded afternoon subway train was left to die as he lay bleeding on the floor, police said.

Shimon Katchera, 15, of the Bronx, was found in the last car of the subway Monday afternoon with a bullet in his chest after he was shot by a bandit who stole his radio. A conductor told police that a crowd of people ran from the car at the Burke Avenue station in the Bronx as the youth lay bleeding to death inside.

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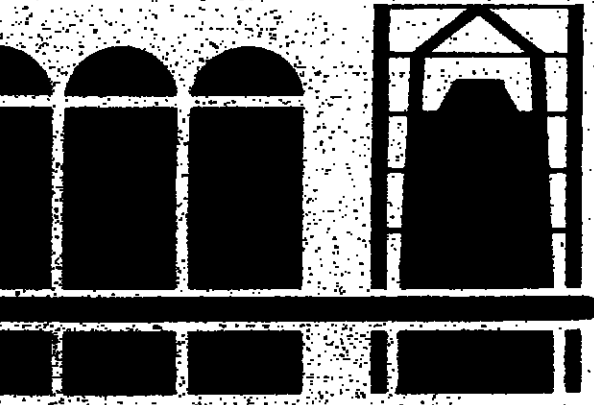
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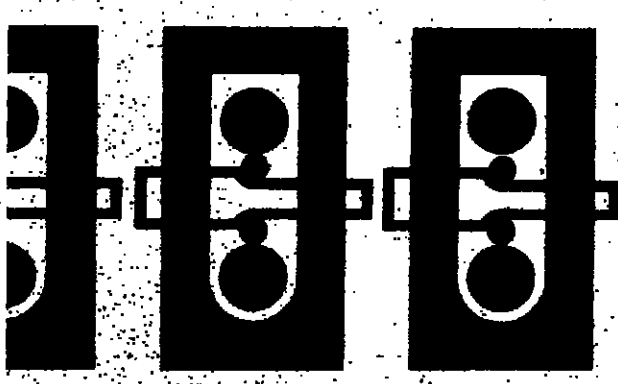


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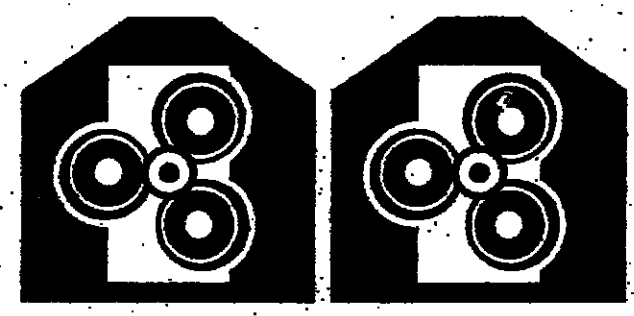
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Fed. Rep. of Germany



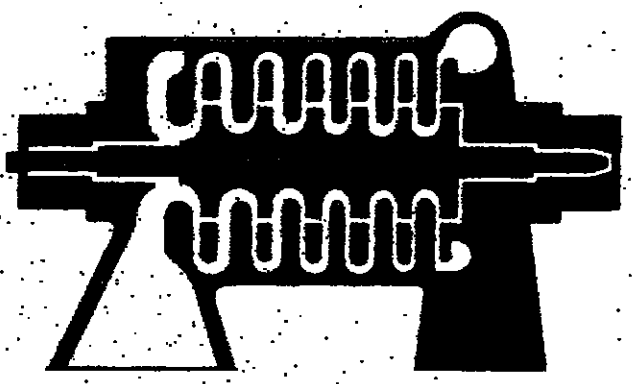
Metallurgical Plant
Integrated plant, blast furnaces, steel mills, continuous casters, electrometallurgical plant.



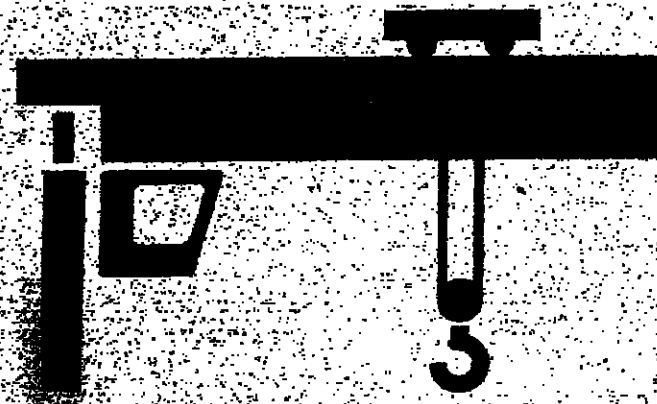
Rolling Mills
Rolling mills for beams, sections and wire-rod; strip and sheet mills, strip processing lines.



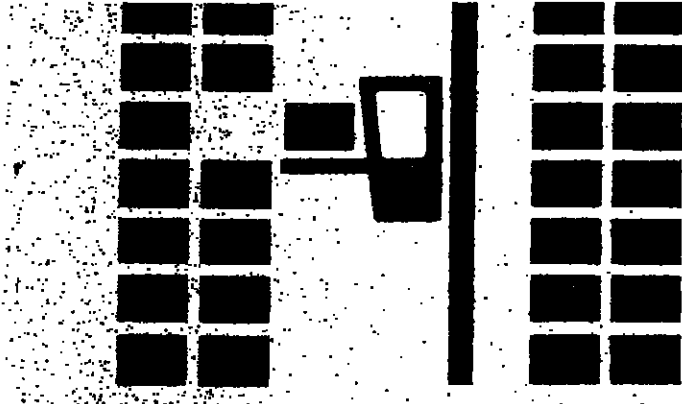
Pipe Making
Plant and machinery for the production of seamless and welded tubes and pipes. Hydraulic presses.



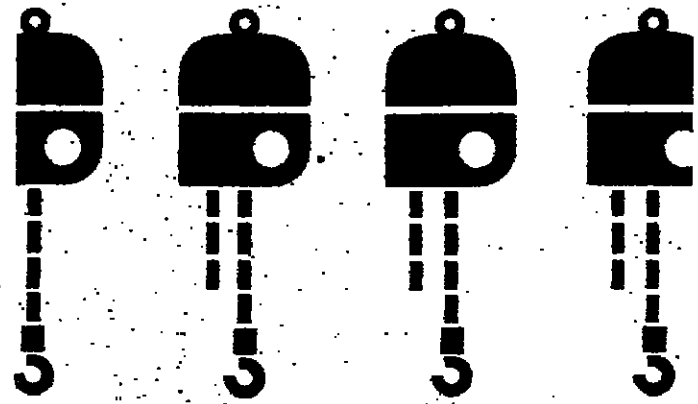
Compressors
Centrifugal compressors and positive displacement machines for air and technical gases.



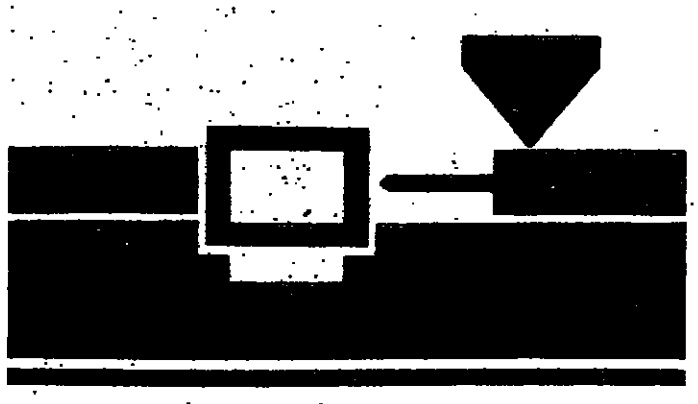
Cranes
Overhead cranes, slewing cranes and jibs, submersible cranes and track systems, and steel mill cranes.



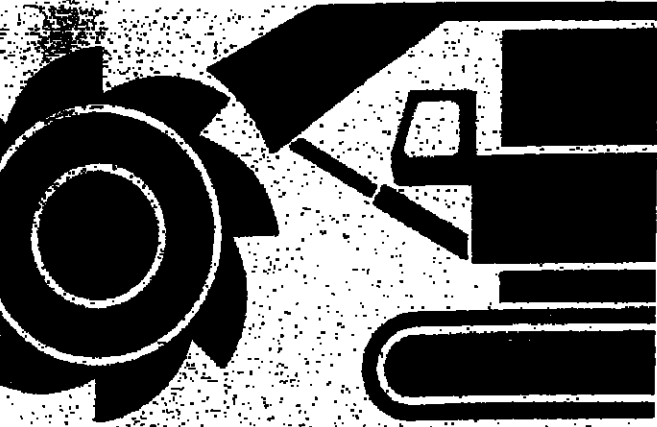
Distribution Systems
Materials handling and warehousing systems, continuous handling equipment, order pickers and rack feeders.



Components
Electric lifting tackle, standard crane components, load lifting attachments, drive and control components.



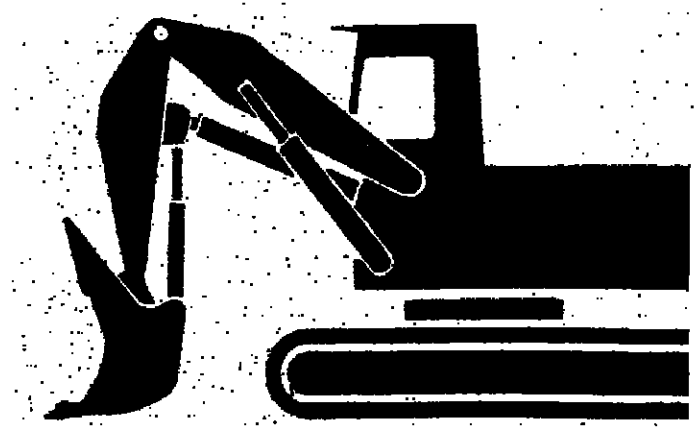
Plastics Machinery
Machinery and complete systems for injection moulding and extrusion.



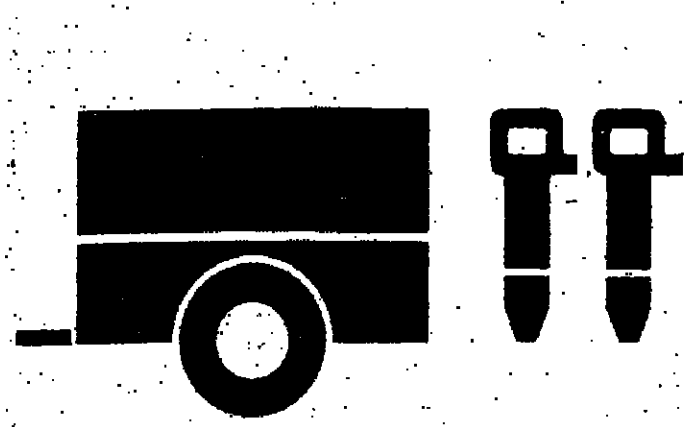
Bulk Handling
Bucket wheel excavators, reclaimers and belt conveyor systems, container handling systems.



Mining Equipment
Shaft winding equipment, tunnelling machines for hard and soft rock. Compressed air motors.



Construction Equipment
Hydraulic excavators up to 270 t, mobile cranes up to 800 t, road finishers up to 12 m.



Pneumatic Systems
Compressors, pneumatic tools, equipment and components for the building trade and industry in general.

3 Whites Slain in Zimbabwe Cited As Evidence of Pretoria's Hostility

By Alan Cowell

New York Times Service

HARARE, Zimbabwe — In a hospital mortuary here lie the bodies of three white men, dressed in military uniforms and killed in a skirmish with Zimbabwean troops Aug. 18.

The facility where the bodies were taken, once called Andrew Fleming Hospital, is now known as Parirenyatwa, after a black nationalist hero, and the city is Harare, not Salisbury, as it used to be.

The changes of name are tokens of the political reversal that has occurred here since white-ruled Rhodesia became Zimbabwe, Africa's newest black-ruled independent nation, in April, 1980, an event that ended 90 years of minority rule.

Bodies Are Evidence

But the bodies are themselves evidence that the change has not gone unchallenged, either by those who fought to prevent black rule or, in the view of Prime Minister Robert Mugabe, by the government of South Africa, the white-ruled economic and military power that borders his country to the south.

Mr. Mugabe has frequently asserted that the Pretoria regime is set to disrupt Zimbabwe to prevent it from serving as a model of peaceful black rule that would tend to discredit South Africa's policies of racial separation, or apartheid.

But, until the firefight on Wednesday at Sengwe, close to the point where Zimbabwe's borders meet those of Mozambique and South Africa, the government had little concrete evidence to support its charges.

The three bodies, Mr. Mugabe told diplomats and reporters at a news conference Saturday, demonstrated that South Africa had embarked on a "new stage" in its "program to destabilize Zimbabwe and to invade our country."

The white soldiers were members, he said, of the "South African forces who had been sent into Zimbabwe to commit acts of sabotage and to make preparations for an invasion."

Official Account

According to the official account of events, Zimbabwe government soldiers received word last week that a mixed group of black and white irregulars had entered Zimbabwe from South Africa.

The government troops went to intercept them, apparently catching them by surprise. The three whites were killed in the battle and the rest, probably nine others, fled, abandoning an array of Soviet-bloc weapons, unmarked food and medical supplies of South African and Irish origin.

The South African Army commander, Gen. Constand Viljoen, said in a statement issued in South Africa that there had been no authorized foray by his forces into Zimbabwe and announced that a board of inquiry would be established to investigate the incident.

The denial is not likely to be accepted here, for the incursion fits a strategy adopted by South Africa in recent years of supporting individuals and groups opposed to the governments of neighboring black-ruled nations.

A suggestion heard in South Africa on Monday was that the group intercepted inside Zimbabwe, some 18 miles (29 kilometers) from the Mozambique border, may have

been members of a burgeoning army of rebellious Mozambicans, known as the National Resistance Movement, who had either strayed into Zimbabwe or were using it as a staging post.

Army in 'Full Strength'

Last week, Zimbabwe announced that it had deployed its army "in full strength" along more than 800 miles of frontier stretching from Zambia in the north to South Africa in the south, in an attempt to prevent infiltration by the National Resistance Movement. Zimbabwe is closely allied with the Marxist government in Maputo and has made military agreements with it aimed at containing the resistance movement.

Mr. Mugabe, however, dismissed suggestions that the bodies displayed here were those of members of the anti-government Mozambican forces, saying he did not believe that the National Resistance Movement had whites in its ranks.

The supposition among Zimbabwean officials and Western diplomats Monday was that the group, equipped with radio equipment and explosives, probably included former members of the Rhodesian Army, disenchanted with the advent of black majority rule and out to stem a historic tide that has eroded white dominance in southern Africa, save for South Africa itself and its satellite, South-West Africa, widely called Namibia.

According to military analysts here, South Africa is the only government in the region equipped to supply insurgents with the arms and equipment, and the only one with the political interest in disrupting its neighbors.



A TOKYO WELCOME — Premier Zenko Suzuki of Japan accompanies Javier Pérez de Cuellar, the United Nations secretary-general, as they review an honor guard during a welcoming ceremony in Tokyo. Mr. Pérez de Cuellar arrived Monday for a six-day visit.

After Delay, U.S. Agency Proposes Tighter Curbs on Lead in Gasoline

By Sandra Sugawara

Washington Post Service

WASHINGTON — After a prolonged behind-the-scenes struggle and a loud public debate, the Environmental Protection Agency has released a proposal to tighten the standards for lead in gasoline.

An assistant EPA administrator, Kathleen Bennett, said Monday that the proposal would "reduce airborne lead by 31 percent more over the next eight years than we would have reduced had we kept the current rules in effect."

The proposal was scheduled to be issued about three weeks ago, but was held up by an eleventh-hour dispute with the Office of Management and Budget. A compromise was reached at a White House meeting last week requiring the administration to issue a final rule by Nov. 1, a day before the 1982 elections.

Eric Goldstein of the Natural Resources Defense Council said the EPA package "sounds pretty good, if adopted in its proposed form. EPA is back on the right track."

Christopher DeMuth, the budget office's administrator for information and regulatory affairs, said, "We think this is a terrific program." He said it would improve health protection while elim-

inating "economic distortions" in the lead program.

But the new proposal did not please everyone. "This thing started out as regulatory reform in the context of giving relief to business," said Urvan Sternfeld, president of the National Petroleum Refiners Association. "This proposal makes the rules more onerous for the most part."

Lead is added to gasoline to raise its octane level and can enter the air from car emissions. It is known to cause learning disabilities in children, and children who live in cities where traffic congestion is high are the most frequent victims. A study released by the National Center for Health Statistics last year showed that as many as 18.6 percent of black children in some inner-city areas have dangerous levels of lead in their blood.

The existing standards, developed during the 1970s, were a target of the Presidential Task Force on Regulatory Relief a year ago, and last fall the budget office directed EPA to weaken the standards. EPA, anticipating strong public protests, resisted until February. Then it offered several options, ranging from maintaining the current standards to abolishing the whole regulatory framework.

Environmentalists, members of Congress and a parade of medical

experts immediately attacked the agency's action.

By June, EPA, already on the firing line for its handling of numerous other environmental health issues, was convinced that weakening the standards was political suicide. "Lead is bad for people, especially children. There's no gray area around that," said an EPA source. Another said, "We didn't want to give environmentalists the opportunity to go around saying we were in favor of causing retardation in children."

EPA informed the budget office of its intention and last month began writing new standards. The main proposal was to prohibit large refineries from adding more than 1.1 grams of lead per gallon of gasoline. The existing system allows refineries to add 0.5 grams of lead for each gallon of gasoline produced, whether leaded or unleaded. The effect, as production of unleaded gasoline increased, was to permit the addition of greater amounts of lead to leaded gasoline.

The proposal also would continue an exemption for small refineries, at 2.5 grams per gallon. But it would substantially narrow the definition of small refineries and would require that the firm had been in existence on or before Oct. 1, 1976.

Construction Jobs for Asian Games Accelerate Migration to New Delhi

By William K. Stevens

New York Times Service

NEW DELHI — They are all over New Delhi these days. Women like the one who said her name was Kamla, a leathery woman of perhaps 40 with the flowered tattoos of her home state of Orissa on her arms and a brilliant lime-and-scarlet sari draping her wiry frame.

She and her daughter, a fresh-faced 14-year-old named Soyto, equally resplendent in yellow and purple, headed for their day's work.

A study in natural grace, they glided across the monsoon-wet mud and gullies and ridges in front of a new stadium under construction yards away.

Their lower bodies swayed as they walked, but their backs were rigid and perfectly postured so as not to disturb the wicker baskets, tools of their occupation, balanced on their heads.

They are construction workers, just two of an army of migrant laborers who have left India's farms and villages and converged on its capital in search of economic security and a better life.

They are part of a larger flood of migration to India's cities, a migration long expected that is finally taking place as ties to the countryside loosen and India's developing urban economy beckons.

But what especially draws the migrants to New Delhi just now is one of the biggest public-works projects in the city's history, the construction of facilities for the Asian Games to be held there in November.

The government is building five imposing new stadiums, 10 new luxury hotels and seven highway overpasses and is widening 35 major roads.

Most of the work is supplied by people like Kamla and Soyto, who spend their days from 9 a.m. to 5 p.m. loading 70 pounds (31.5 kilos) of red dirt or building materials into their headbaskets and carrying them from one spot to another.

The Asian Games are a monument to human labor. The construction going on all over the city makes minimum use of machinery, appropriately enough, perhaps, in a country with too many people and too few jobs.

Numbers Unknown Nobody knows exactly how many migrant laborers have been added to the 5.7 million people who last year were reported to be living in greater Delhi, India's third most populous city after Calcutta and Bombay.

In some villages of Uttar Pradesh, for example, it is said by people who have come from there that

farmers now find it impossible to hire field hands. They have all come to New Delhi.

The leader of a group of laborers from Rajasthan camped in tents by the side of a road said there have been droughts there recently, otherwise he would rather be at home.

Some come hoping to save enough money to buy a plot of land once they return home.

Kamla, speaking in Hindi through an interpreter, said that in Orissa her eight-member family made its living by working as field hands for a landowner.

In payment, they got only grain. This was not enough to feed the family properly, she said, and they got no money.

Here they get money. It is not a lot — 11.60 rupees a day per person for each of the six family members who work.

Minimum Wage Paid At present exchange rates, that amounts to about \$1.22 a day in U.S. money. Still, it is the legal minimum wage.

It is more than the daily wage of 75 paise (about 15 cents) that some Asian Games laborers were discovered to be earning last year, before a court ordered an end to such exploitation.

More than 250 policemen in India's northern state of Haryana have been dismissed for taking part in demonstrations last week about working conditions, Chief Minister Bhajan Lal said Tuesday, according to a report from Reuters in New Delhi.

A day after the trouble in Haryana, policemen in Bombay went on strike. At least five people were killed in two days of rioting by police.

The center is being developed by the State Department under an act passed by Congress to help foreign governments that were having difficulty finding suitable space for their missions.

Along winding streets that have been christened International Drive, International Court and International Place, a number of modernistic brick, limestone and glass-and-steel structures are in place or under construction. Eventually, two dozen or more embassies are expected to settle there in close proximity, some of them representing countries that are not the best of friends.

The Israelis moved into their new embassy in December, 1980. The chancelleries of Bahrain and Kuwait are now completed. And workers have broken ground for the chancellery of Jordan.

North Yemen, Ghana and Qatar also have 99-year lease agreements, with an option to renew for another 99 years, according to Richard Gookin, a diplomatic and consular liaison officer.

The cost of the lease, which is paid at the outset, may prove a bargain in the long run. At \$13.50 per square foot, a quarter of an acre can be had for just a little over \$450,000.

Unit to Combat Fraud In Pentagon Contracts

By Judith Miller

New York Times Service

WASHINGTON — The Justice Department and the Pentagon have formed a special investigative unit to prosecute fraud in the government's multibillion-dollar purchases of military equipment and services, according to Defense Department officials.

Michael Eberhardt, director of the Defense Department's Criminal Investigations, Policy and Oversight Office, said that the unit was intended to "fill a sorely needed vacuum of support from the Justice Department for Defense Department's criminal investigations."

The new group, which met informally at the Pentagon for the first time Friday, is being organized in part to ease public concern that the \$178 billion that the Reagan administration has requested for the military in the next fiscal year might be misappropriated.

High Priority Unit

Administration officials also hope that the formation of a high-priority unit to combat fraud will ease some of the political criticism of the huge increases in military spending being sought at a time when social expenditures are being slashed.

Justice Department and Pentagon officials said that the unit had not been formed because of any existing evidence of widespread fraud in military procurement.

Participants at the meeting have agreed that the unit will focus on three types of fraudulent activity: cases in which the government is improperly charged for goods or services it has purchased; cases in which materials contracted for are defective or misleadingly described; and payoffs involved in procurement of goods and services.

"When an agency is going to

spend about \$500 million a day," said an official familiar with the project, "it's worth taking a very close look at how they're spending it."

Officials said that the unit would serve in a liaison capacity between the Justice Department and the criminal investigative groups of each of the military services.

Fraud Section Lawyer

Richard Sauber, a lawyer in the fraud section of the Justice Department's criminal division, has been asked to head the group. Mr. Sauber, who until recently was in Oklahoma prosecuting an old-fraud case, declined to comment on the assignment.

The unit will consist initially of three criminal prosecutors, a lawyer from the civil fraud division and lawyers from the general counsel offices of each of the services to provide assistance with technical procurement matters. But the Justice Department has agreed to assign as many lawyers to the unit as are required, the officials said.

The impetus to form a special unit on military procurement fraud came from the Justice Department, Mr. Eberhardt said. The department has been looking for the formation of such a group for several years, but the concept gained momentum soon after the Reagan administration took office, he added.

Justice and Defense Department officials stressed that the unit would not be the sole focal point of all Pentagon referrals for criminal investigation and possible prosecution. Rather, "one participant said, the procurement fraud unit's mission is to intensify communication between the agencies, coordinate cases for prompt investigation and prosecute them swiftly to obtain "a maximum deterrent effect."

Landless Poor of Java Provoke New Concern

By Colin Campbell

New York Times Service

SURABAYA, Indonesia — Across Java, an island with more than two-thirds of Indonesia's population, the problem of farmers without farms is getting worse as land is broken up through inheritance and bought up by relatively few landowners.

An agricultural report by the U.S. Embassy in Jakarta said in March that the issue was "potentially explosive" and that it had received too little attention from the Indonesian government.

The minister of agriculture, Sudarsono Hadisaputro, said at a recent seminar that the numbers of landless Indonesian farmers had increased by 500,000 between 1977 and 1980, to 8 million. He added that the number of farmers cultivating less than an acre stood at 11 million in 1980.

Estimates of Java's landless farmers vary from about 30 percent of all farm families, according to the 1980 census, to more than 50 percent.

The 1980 census also showed that 43 percent of all farm families in Java, regardless of whether they owned their farms, worked only six-tenths of an acre or less. With a population of 95 million, Java con-

tains the vast majority of Indonesia's smallest farms as well as most of its landless peasants.

In Leles, a green cluster of villages east of Bandung in West Java, a prosperous farmer, equipped his house with electricity last year and more and more farmers were selling their land as the population increased and their parcels shrank.

In Surabaya, East Java, a businessman and professor of accounting said that army officers, businessmen and government officials as well as farmers were assembling farmlands and prospering largely because they were able to purchase fertilizers, pesticides and farm equipment.

By Indonesian law, ownership of farmland is strictly limited, but the law is widely ignored. Reasons for selling land vary, but smaller and smaller parcels, even if they can produce enough food to support a family, often mean larger and larger debts to pay for the fertilizers and pesticides that Java's new high-yielding varieties of rice require.

Cheap government credits, by contrast, have been declining. It was discovered last year that \$190 million in repayment of government loans to farmers, of a total of about \$386 million, was in arrears.

Stanford Moore Dies; Won Nobel in Physics

Compiled by Our Staff From Dispatches
NEW YORK — Dr. Stanford Moore, 68, who shared a Nobel Prize in chemistry in 1972 for research into the chemical structure of pancreatic nuclease, a human enzyme, died Monday. Police said he apparently had committed suicide.

Dr. Moore had amyotrophic lateral sclerosis, a progressive disease of the nerves and muscles.

Dr. Moore and Dr. William H. Stein, with whom he shared the Nobel Prize, were co-researchers for 40 years. In 1959, they decoded the enzyme pancreatic nuclease, an enzyme that breaks down into ribonucleic acid. The discovery was vital to understanding how a biological malfunction might be repaired in the human body.

Alberto Cavalcanti
PARIS (UPI) — Alberto de Almeida Cavalcanti, 85, a Brazilian film director, died Monday in Paris.

After returning to Brazil from several decades of filmmaking in Europe, Mr. Cavalcanti produced such films as "Cavalcanti" in 1950 and "O Cangaceiro" in 1953.

Born in Rio de Janeiro, Mr. Cavalcanti studied architecture and law in Switzerland before settling in Paris in the 1920s, where he got his start as a set designer for the director Marcel L'Herminier. He produced a number of silent films before moving on to England, where his movies included "Nicholas Nickleby" in 1947, "They Made Me a Fugitive," with Trevor Howard, and "The First Gentleman" with Jean-Pierre Aumont.

Kazuo Iwama
TOKYO (AP) — Kazuo Iwama, 63, the president of Sony Corp. since 1976, died Tuesday of cancer.

After graduating from Tokyo University's science department, Mr. Iwama in 1946 joined the Tokyo Communications Co., which later became known as Sony. He

became a Sony vice president in 1973 and was promoted to president in 1976.

Raymond Penn
TORRINGTON, Conn. (AP) — Raymond Penn, 80, head football coach at Yale University from 1934 to 1940, died Monday.

Venezuelan Chief Assails 'Economic Coercion' by U.S.

The Associated Press
CARACAS — President Luis Herrera Campesino has advised Latin American nations to fight "economic coercion" by the United States and other industrialized countries.

Addressing a meeting of the Latin American Economic System on Monday, Mr. Herrera proposed "profound Latin American solidarity" to promote the economic security of the region.

Mr. Herrera suggested that Latin America adopt the system as its main regional body. This would give the Organization of American States, of which the United States is a member, a diminished role.

"We should carry out collective economic security in the region to stand up to illegal and arbitrary economic coercion," Mr. Herrera told representatives of the organization from 26 Latin American and Caribbean nations.

Latin American mistrust of the United States has deepened over U.S. support of Britain in its war with Argentina over the Falkland Islands.

Auto Kills 3 Near Brest
BREST, France — Three persons were killed and 13 injured when a car hit a group of children and vacation camp counselors on a country road near this northwestern port Monday night, the police said Tuesday.

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ARTS / LEISURE

Monkeying With the King James Bible

By Henry Mitchell

Washington Post Service

NEW YORK — The fur should start flying nicely soon over Thomas Nelson Co.'s fustling about with the King James Bible.

The publishing house, which specializes in many versions of the Bible, introduced its "New King James Version" earlier this month at a luncheon in the St. Regis Hotel. A white-haired gentleman arose from his table, fixed a hard eye on the publishers, and voiced an objection: "To update means to add new facts."

The publishers demurred; they had not had any such gall, but had only got rid of those and those and arcane words in general.

The King James Version, said the old man, "is a great masterpiece of our tongue. Why not alter Shakespeare, getting rid of his obsolete words, too? Believe me, it's not the same, even if the words mean the same."

"I'm glad you brought up Shakespeare," said Arthur L. Farstad, executive editor of the revision. "We would never change Shakespeare. He wrote in English. The Bible is a translation. Suppose we now know, as we do, that a Semitic word means 'monkey,' but the 1611 translators thought it meant 'peacock.' Well, I was raised on the King James Version and, as it happens, I prefer King Solomon with peacocks to King Solomon with monkeys. But I think we had an obligation to use the correct word."

In fact, the great Authorized Version of 1611, ordered by King James I of England, has already been revised four times, twice in the 17th century and twice in the



Susan Davis, The Washington Post

18th. And it was "high time to do it again now," Farstad said.

"I notice you leave the creation of the world alone," said a guest. "Not a word changed," Farstad said. "The more famous the passage, the less likely you are to see any difference."

Still, after \$4 million, a host of scholars and seven years of arguing, there are changes. "My cup runneth over," for instance, becomes "My cup runs over" — not

a major change but enough to set a few teeth on edge.

Sam Moore, president of Thomas Nelson, said that often as much as a week was spent arguing over a single word. "How can we succeed if we spend a whole week on one word?" he would cry, but the scholars paid no attention and went their deliberate way.

If it ain't busted, don't fix it: a sound precept for a high-tech age — especially if you don't have the

right replacement parts. This seems to be the central argument of those who resist any change in the Authorized Version, which is popularly preferred over all other translations throughout the English-speaking world. Moore said that more than 50 percent of all Bibles sold are the 1611 translation, despite competition from many other versions.

Immodest Vines

But publishers discovered in surveys that there was a strong demand for a Bible that, while retaining the word music of the King James, would be intelligible to "your Miss Jones who is not quite sure what this word and that word means."

"Here is a chance for you to go farther out on the limb," a reporter said to Farstad after lunch. "Suppose a reader actually grew up knowing English so that he had no great trouble with things like 'undressed' vines, not supposing the vines had taken their clothes off, but aware the vines had not been pruned and trained. Do you say your book has any merit, beyond helping Miss Jones who has trouble with vines being undressed?"

"Yes," said Farstad, leaping to the challenge. "I mentioned changing 'peacock' to 'monkey' to correct a small error. But take this St. Paul uses the word 'atonement' in the 1611 Bible. That word has profound and technical meanings. In 1611 it did not mean anything remotely similar to its meaning now. It meant simply 'reconciliation.' So we changed it to 'reconciliation.' The 'New King James Version' is more accurate than the old one in such an important example as this."

"But a thing that astonished us was the scholarship and dedication to accuracy of the 1611 translators. They were better scholars of Hebrew, say, than many biblical scholars who came after them. In only a few cases has their scholarship been improved on."

Moore said: "I know we are going to catch it from the ultraconservatives. But, then, you take your life in your hands when you get up in the morning and cross the street."

Thomas Nelson still publishes the 1611 translation with the first-edition spelling and punctuation. The discovery of this should have made the lunch worthwhile even to the most determined defender of King James. Samplings of a dozen people who had read the new revision produced a consensus that no damage had been done to the literary beauty of the Authorized Version.

By the way, that "monkey" of the monkey-peacock controversy should in fact have probably been translated "baboon," Farstad said privately. But they chickened out.

'Hamlet' Breaks Even in London

By Sheridan Morley

International Herald Tribune

LONDON — By an accident of timing, the London fringe theater is currently offering one of the best "Hamlets" I have ever seen, and one of the worst. The one to avoid is at the Young Vic, where Edward Fox, a likable and intelligent actor, has put his prince in surroundings that suggest that the staff of some very minor British prep school in about 1950 has suddenly been asked to mount the play for parents' day without quite enough rehearsal or a director. The ghost has the traditional affliction of the larynx, the Gertrude looks understandably appalled not so much at her husband's murder as at the quality of the acting, and the audience at intermission, which was when I left, were wearing stunned expressions.

If Fox can ever find himself a director and a cast he might yet prove an interesting prince: in the meantime, head for the Warehouse, where Jonathan Miller is staging the play for his third and last time, last because he has announced that this will be his farewell to the non-operatic theater. If so, it is a remarkable swan song; his control of the play has strengthened considerably since he first directed it at Cambridge and Greenwich more than a decade ago, so that we now have a hugely intelligent, surgically incisive and altogether enthralling evening played on bare boards as a chamber thriller much after the fashion there of the Trevor Nunn "Macbeth."

The casting is all: not only Anton Lesser's nervy, jumpy young thoroughbred Dane but Philip Locke's wonderfully theatrical Player King and a strong Rosenkrantz-Guildenstern double from Ken Stott and David Firth that

suggests that they could move straight from this into Stoppard. Miller also gives us a predictably graphic and clinical mad scene, with Kathryn Pogson a memorably neurotic Ophelia from the start, and an unusually young and subtle Claudius from John Shrapnell. True, the last two acts drop a lot in tension, and it may be pushing luck a bit to have Fortinbras giggle on seeing the massed corpses, but these are minor evils at an evening of huge assurance, excitement and dynamism.

The Chichester Festival management, having already cast Joan Plowright as Britain's best-loved nurse ("Cavell") and then left her stranded in the middle of that vast open stage without a play, has now cast John Mills as Britain's best-loved schoolmaster and left him without a musical. An appallingly inadequate Leslie Bruce score from the 10-year-old Peter O'Toole film fiasco (also nominally "Goodbye Mr. Chips") has been hauled out of oblivion and attached to a new book (by Roland Starke) of equally amazing inadequacy, and the whole mishmash has been given a production (by Patrick Garland and Christopher Selbie) that manages to turn James Hilton's story into a gang show.

Sir John drifts through this tackily choreographed shambles with marvellously good grace, even managing in the second half to haul the show up from being unbearably terrible to being at moments only endearingly inadequate. That a director of Garland's subtlety, one who once had to deal with similar issues of historical and patriotic English traditionalism in another school show, "Forty Years On," could have allowed this "Chips"

to degenerate so is as mysterious as the current collapse of Chichester overall.

At Greenwich (only because that theater is hired out to visiting managements in the summer, a distinction that ought to be made clear to those who go expecting the high standards that apply during the winter), "Mindkill" is a curiously nasty little thriller by Dan Webb, which briefly hit the headlines because Jill Bennett wisely pulled out in mid-rehearsal to be replaced, amazingly enough, by Diana Quick, who evidently is not as good at reading scripts as she is at playing them. Set in a defense chemical-research lab, this is one of those mad-scientist thrillers that used to turn up as B movies and now appear at midnight on commercial television, full of lines like "I froze him in the nitrogen plant and then I used the grinder" that the cast members manage to say with a commendable lack of hysteria. The only real mystery is why they bother.

On a more cheerful note, at Hampstead there is now a rare chance to see "Rocket to the Moon," Clifford Odets' long-lost saga of middle-aged marital crisis in the life of a 1930s New York dentist. Put like that, it might not sound stunning, but as played by David Burke, Annabel Leventon, Mary Maddox and Harold Innocent, it turns out to be a hauntingly poetic forerunner of "Death of a Salesman," full of bittersweet insights into guilt and despair as well as the perpetual search for happiness as guaranteed by the Declaration of Independence. For Maddox, in the doomed receptionist role that should have been filmed by Marilyn Monroe if Hollywood had managed to overcome its McCarthy-inspired terror of Odets, it is also the kind of evening from which stars are made.

'Mad Max 2': Hard Times After World War 3

By Thomas Quinn Curtiss

International Herald Tribune

PARIS — The screen's doleful forecast of things to come continues in "The Road Warrior," playing here as "Mad Max 2."

The general premise is familiar by now. After World War III, the supposition runs, survivors will have a tough time of it. Atomic fallout will have reduced the world to something resembling a Long Island trash dump, and people, believe it or not, will be worse than ever, but — sun ray of good news — there will be fewer of them.

This grim prospect was first revealed in "On the Beach," unless memory errs, and has been repeated so often that it is an accepted stock situation. The spectator, instead of worrying about the dire future, concentrates on the whoopee-do of who kills whom in the forthcoming struggle.

Among the inconveniences of the post-World-War-III period will be a drastic gasoline shortage, according to this second installment of the "Mad Max" series. The Aus-

tralian thriller transpires in an arid, dusty realm where anarchy reigns as outlaws battle for possession of the remaining stores of precious petrol.

Max — more courageous than insane — is a road security guard. His wife and child have been massacred by bandits, and, unaware of the theory that everything is society's fault, he thirsts for vengeance.

His chief enemy is a ghoul with Indian-brave hairdo and punk makeup who swirls a mean motorcycle. This wretch is an expert stuntman and it requires two hours to bring him down. When the interminable pursuit is not in progress, there are explosions, bullet-dodging and combats of rival clans to keep the screen a jump.

What we have actually is the venerable Western formula motorized and given a dimension of fantastic horror. George Miller has staged it in a manner that retains excitement and suspense throughout, and Mel Gibson is again the invincible superhero, his head bloody but unbowed during the

concluding reels. The film's commercial success has been phenomenal wherever it has been exhibited, which makes another sequel inevitable.

"Countryman," an English product by Dickie Johnson, exploits the popularity of reggae to the utmost, its soundtrack blasting with Jamaican rhythm. Its script, alas, is less dynamic, meandering like a lost travelogue.

During its leisurely peregrinations, it spins a fable about a local fisherman who rescues an American couple from an airplane that has crashed. The wounded pilot and his girlfriend must hide out, suspected by local authorities of being CIA agents. The fisherman helps the pilot, shelters the intruders in the jungle, supplies them with nourishment and introduces them to the smoking of a drug that seems to have provided him with a mastery over the elements and charged him with such an amazing velocity that he might sign on for the Olympics. The outstanding

feature of this strange cinematic journey is the music of the late Bob Marley and his Wailers.

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Henry VIII's Ship Set for Lifting

Compiled by Our Staff From Dispatches

LONDON — King Henry VIII's flagship, the Mary Rose, which sank in battle against the French in 1545, will be raised from the seabed off Portsmouth — weather permitting — on Sept. 28, officials of the Mary Rose Trust announced Tuesday.

The event, which will climax one of the world's most ambitious underwater archaeological quests, will come 17 years after the wreck of the Tudor warship was located. More than 25,000 dives to the ship have produced thousands of artifacts.

Lord Romney, grandson of the late Earl Mountbatten and vice president of the Mary Rose Trust, said that Prince Charles, who is trust president and has made nine dives to the wreck, will watch the lifting.

Margaret Rule, the trust's archaeological director, said the hull was "a fascinating and rare Tudor artifact. It is also a rather disreputable-looking complex of black, wet, smelly woodwork." She said that in case of bad weather the lifting project will be rescheduled for Oct. 11.

Henry VIII was watching as the Mary Rose sailed forth against the French on July 19, 1545 — and sank with amazing speed. Fewer than 40 of the 700 crew-

man are believed to have survived when the 91-gun ship went down. Historians do not know whether the vessel was hit by enemy fire or sank simply because of overcrowding.

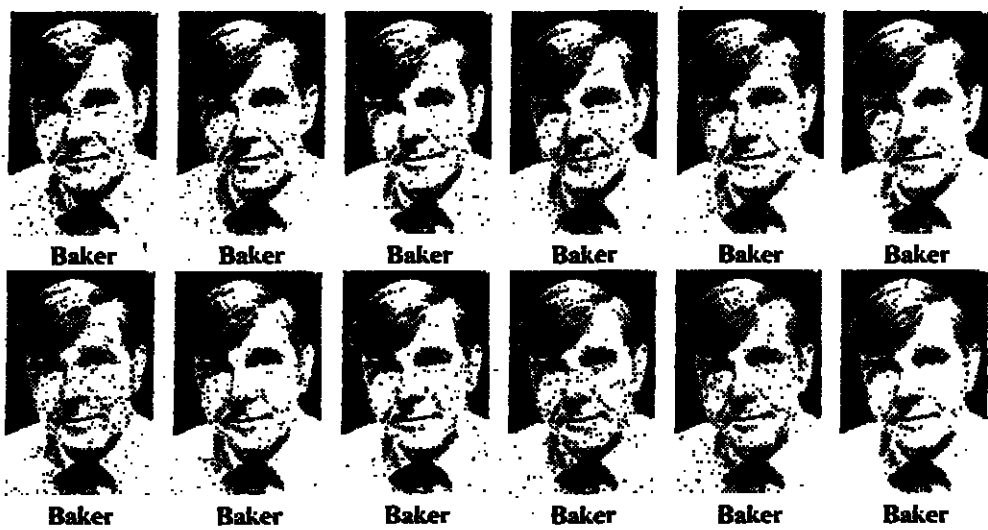
In 1967, Alexander McKee, an amateur marine archaeologist, pinpointed the Mary Rose's grave and discovered that, "by a miracle of preservation," the wreck was a priceless museum of Tudor life, perhaps the most important sunken ship ever found.

Already in place over the wreck is a steel frame 117 feet long and 49 feet wide, said Col. Wendell Lewis, director of recovery for the project. The 370-ton hull, which is lying on its side at an angle of 60 degrees, is being strapped to the frame.

A floating derrick will lift frame and hull together and inch them onto "a mattress inside a steel box" on the seabed, Lewis said. The steel box is padded "with a water bed" to hold and protect the fragile hull, he said.

Some days later the whole assembly — cradle, hull and lifting frame — will be hoisted aboard a barge, then towed to a special dry dock, where it will be housed for more than two years while the interior is reassembled.

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ENERGY IN AN UNCERTAIN ECONOMY

SEPTEMBER 20

KEYNOTE ADDRESS

Sheikh Ali Khalifa al-Sabah, Minister of Oil, Kuwait.

THE SUPPLY AND DEMAND OUTLOOK FOR OIL

Theodore Eck, Chief Economist, Standard Oil Company (Indiana).
Helen Hughes, Director of Economic Analysis and Projections, The World Bank.
Ian Seymour, Executive Editor, Middle East Economic Survey.
Moderator: Herman Franssen, Chief Economist, International Energy Agency.

WHERE OIL AND GAS WILL BE FOUND IN THE '80's

Hans Grunau, Senior Exploration Consultant, Petroconsultants.

NEW POWER RELATIONS IN THE GULF

James Akins, former U.S. Ambassador to Saudi Arabia.

THE IMPACT OF DOWNSTREAM ARAB INVESTMENT

Donald O'Hara, former Pres., Nat. Petroleum Refiners' Ass.
Abdullah Taher, Governor, Petromin.

SPECIAL ADDRESS

Donald Regan, U.S. Secretary of the Treasury, via satellite.

SEPTEMBER 21

U.S. ENERGY POLICY

James McClellan, Chairman, U.S. Senate Energy Committee.

PROBLEMS OF ENERGY FINANCING

THE INVESTMENT OUTLOOK FOR NORTH SEA ENERGY
Hamish Gray MP, U.K. Minister of State for Energy
MOBILIZING INTERNATIONAL FUNDS FOR ENERGY PROJECTS.
Ian Logie, President and Chief Executive, Int. Energy Bank.
INVESTMENT DECISIONS IN AN ERA OF DECLINING OIL PRICES
Harold Hammer, Executive Vice President, Gulf Oil Corp.

THE EVOLUTION AND IMPACT OF INTERNATIONAL OIL TAXATION
Robert Weaver, Vice President, Global Petroleum Division, Chase Manhattan Bank.

THE LONG TERM GAS OUTLOOK

John Lichtblau, Exec. Dir., Petroleum Industry Research Foundation.
John Meeder, Manager, Corporate Planning, Nederlandse Gasunie.

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Gemayel's Legacy

From THE NEW YORK TIMES

Two days after the PLO celebrated its exile from West Beirut by shooting in the air, the Maronite Christians of East Beirut fired their own shots of celebration. Lebanon's Parliament elected Bashir Gemayel, commander of the Phalangist Christian militia, as the new president. But if Gemayel hopes for more than nominal power, he must quickly reach for much broader support.

In the eyes of Lebanon's Muslim majority he remains a divisive factional leader, directly involved in both the 1975-76 civil war and the current Israeli occupation. Before he can be president there must again be a Lebanon, and that will only come about when all its people again think of themselves first as Lebanese.

Less than 10 years ago, such a Lebanon existed. Tradition gave formal representation to each major population group. Lebanese diplomacy steered between Israel and Syria. The system functioned because the Lebanese and their neighbors saw a common interest in maintaining Lebanon as a pluralist oasis.

Then in the 1970s, all that broke down. The PLO, expelled from Jordan, appropriated southern Lebanon as a base of operations against Israel. The delicate political balance could not adapt. Israel saw Lebanon's neutrality undermined. Lebanese Maronites, too, became alarmed.

Behind Gemayel's Phalangist militia, many of them took up arms to demand curbs on

the PLO. Soon these Maronite forces found themselves opposed by a coalition of Lebanese Muslims, leftists and Palestinians and the country dissolved into civil war. Rather than risk a PLO victory, Syria sent in its own troops, while Israel sponsored freelance Christian adventurers in the south.

That history now hangs over any hopes Gemayel may have of leading all the Lebanese. That history explains why 30 members of Parliament would not attend a presidential election session in which Gemayel ran unopposed. It explains why the "Voice of Arab Lebanon," a Sunni Muslim station in West Beirut, Monday broadcast these grim words: "A military governor has just been appointed for Lebanon on Israel's orders."

Equally troubling, Gemayel's election was bitterly opposed by former Prime Minister Salim, Philip Habib's key Lebanese intermediary in the PLO negotiations, and by former President Franjeh, head of a rival Maronite faction.

Gemayel is not the only Lebanese with a legacy. Scarcely any politician has emerged unscathed from the years of sectarian carnage. Optimists may draw encouragement from his call for "a new era of peace, security and tranquility." But even optimists must wait for prompt action to match these conciliatory words. The tranquility of more than Lebanon will hinge on his success.

Commodity Prices

From THE WASHINGTON POST

World prices of copper, sugar, coffee and cotton have all dropped severely over the past couple of years, and the trend is continuing. It is nice for the industrial countries that import raw commodities. But it is very hard on those countries whose fortunes depend totally on the international market for one or two of their products.

Just as unemployment rates are the measure of social distress in the industrial countries in times of economic decline, the commodity prices are the measure of the distress in the poorer nations, closer to the equator, that live by exporting raw materials. For the Third World, there is an important difference between the last recession and the one now.

The last time the world's economy sagged, in 1974-75, most of the Third World governments managed to keep business expanding at home by borrowing heavily. The banks had a lot of money to lend because the OPEC countries, after the first great oil price increase, had more cash coming in than they could immediately spend. But this time, the Third World will not be able to expand its borrowing. The accumulation of debt is already large, and the banks are getting anxious. There is no longer an enormous OPEC surplus to be borrowed, for the OPEC countries have rapidly become accustomed to their new affluence. Spending money is an art easily learned, and some of them are even running deficits.

With no new borrowing, Third World countries can adjust to their declining export income only by retrenchment at home. The effects will not be limited to standards of living and development in the Third World alone. It is going to make a difference in the United States as well.

Because the Third World borrowed in 1974-75, it was able to keep buying a heavy flow of goods from the United States. That, in turn, helped revive employment and business profits in the United States. In 1982-83, that is not likely to happen. As countries get fewer dollars for their raw materials, they will have fewer dollars to spend in the United States. It is another reason to doubt that the world is going to see, in the year ahead, the kind of strong and steady recovery that began to take shape seven years ago.

Other Editorial Opinion

Situation in Poland

Martial law authorities in Poland are showing considerable nervousness at the approach of the second anniversary of the formation of Solidarity. [I]t seems problematical, however, whether anything like large-scale rioting will in fact occur.

Poland today looks like a waterlogged ship, dead in the water. The main reason is that the martial law administration under Gen. Jaruzelski has failed to carry out the real economic reforms which alone could have given ordinary Poles some reason to hope for material improvement in their lot.

[Seriou] trouble in Poland, if it should come, seems more likely to stem from the dissatisfaction and frustration of young people than from overtly political causes. The two sources from which they might hope to derive stimulus and commitment, Solidarity and the church, are both failing them. Solidarity, for all its valiant underground, is firmly under control, with Lech Walesa still locked up. The church, under the uninspiring leadership of Archbishop Glemp, appears mainly interested in preserving its own privileges. Poland, as so often before, remains chiefly a country deserving pity. The light briefly lit is for the time being doused.

—The Daily Telegraph (London).

Events in Lebanon

Lebanon's recovery from its deep disorders — the PLO occupation of its southern half, the Israeli bombardment of its capital, the Syrian desire to reassert historic claims — is still a matter of hope rather than expectation. The hope has not been strengthened by the election of Mr. Bashir Gemayel as president, even though he was the only candidate in the field.

The Lebanese balance which prevailed before the PLO's entry on the scene and the ensuing civil war depended on a broad consensus among people who were not naturally inclined towards consensus. Now the consensus has broken down altogether.

Lebanese practice requires the president to be a Maronite Christian and the prime minis-

ter a Sunni Muslim, but the understanding on which the constitution is based is that agreement should be reached beforehand on who should take the portfolios. Not only was there no understanding this time; there was the strongest opposition to Mr. Gemayel's appointment from the Muslim left and indeed from Muslims generally, most of whose deputies took no part in the election.

—The Guardian (London).

Now that the bloodshed and the devastation in Beirut has ended and the first contingent of the Palestinians has left, the chance must be seized to make out of these episodes a turning point in the search for a solution to the Palestinian problem. [There] are practical reasons why Washington should not now settle back into a mixture of relief and disillusion, and why the Arab countries should not argue for violent retribution against Israel for what has happened in Lebanon.

There remains a great divide between Israel's minimalist interpretation of the Palestinian autonomy described in the Camp David agreement and the Palestinian state demanded by Arab nations still wary of admitting that Israel has a right to survive at all. A completely fresh initiative by the U.S. and a peace offensive by the Arabs might begin to bridge that gap and create an offer which Israel would find hard to reject.

—The Financial Times (London).

Unrest in Kenya

In spite of the psychological shock of the recent attempted coup and an economic policy whose confusing details are probably due more to bureaucratic errors than to ill will, Kenya continues to enjoy an excellent credit rating with the IMF, the World Bank, the EEC and the country's principal donor nations (Britain, West Germany and the United States). It seems unlikely that the basically capitalistic "mixed economy" will be abandoned while President Arap Moi is in office, but there may well be increased pressure to extend the "Kenyanization" of executive posts.

—The Neue Zürcher Zeitung (Zurich).

Seeking a Consensus on Arms Control

By Flora Lewis

LONDON — Two sets of nuclear arms talks have started now, and gone into recess while American and Soviet negotiators consider the next move.

Meanwhile, President Reagan is said to be leaning toward a decision to deploy a new MX missile in what is called the "dense pack" system, with launchers built close together.

Congress is reluctant to keep funding the missile without a firm decision. And Secretary of Defense Caspar Weinberger has come to share experts' doubts about the theory that they could survive attack in a "dense pack" because incoming missiles would set them off in a chain reaction. "It may be only 20 million Americans dead," he said.

Time is running out. A nuclear freeze will be an important issue in the November elections. Reagan has appealed to Congress not to do anything that would affect negotiations. But nothing is happening to bring confidence that the talks will produce anything but a new leap in the arms race. So Democrats are making the freeze plan a campaign question.

There is no way to achieve both security and a ceiling, let alone a reduction of atomic weapons, without a Soviet-American agreement. But as things are drifting, the immediate danger is that the U.S. arsenal will be fixed by the outcome of the domestic political contest, without a word from Moscow.

So a new approach by Rep. Albert Gore Jr., Democrat of Tennessee, comes at the right moment. He urges a bipartisan consensus on a comprehensive next-step arms control proposal.

"What it comes down to," Gore says in an article, "is whether with constructive help from Democrats, and responsive leadership from the president and his party, we can reestablish a common denominator about nuclear weapons and arms control: some bedrock level of agreement that permits the president to pursue a course that most of us can, in good conscience, support — if not totally, then at least on key points."

Nobody will get to vote on whether or not he will be atomized. Nobody will be asked whether he wants to risk a "protracted nuclear war." No issue more urgently concerns all Americans, whatever style of government they prefer, so there is no issue on which the need for general national agreement is more obvious.

In any case, there is something worrisome about the sharp divisions on the arms control question, both among experts and among the general public. It is impossible to think that a lot of people really want to make war more likely.

It does not make sense to suppose that one party has all the right answers and the other all the wrong ones. Partisanship has artificially distorted positions.

The president was delighted to be able to rally both Democratic and Republican support for his tax bill to save the economy from his ideological mentors. It would be an even more impressive and satisfying exercise of leadership to rally broad support for a plan to save the nation and the world.

No issue more urgently needs wide national backing, and a bipartisan plan would surely carry more weight with Moscow as well as reassure allies.

Gore is not only right about the

danger of division among Americans, he has a good plan that builds on the administration's proposals. The central point is to change both U.S. and Soviet nuclear forces so as to reduce fear on each side that the other can make a surprise first strike successful.

The way things are going now, we are heading for a situation where "the mechanical characteristics of the weapons themselves," as he says, will make it too dangerous not to launch nuclear war first at a time of high crisis.

Further, his detailed proposal, worked out with the Congressional Research Service and a number of experts, would improve the possibility of verification and therefore confidence.

It would make building the MX and the submarine-launched D-5 missiles unnecessary, saving a lot on the defense budget. And it would phase out multiple-warhead land-based missiles, substituting single-warhead

weapons, which are not so conducive to a first strike. Cruise missiles, easy to hide and therefore a threat to any effective arms control in the future, would be limited.

Administration officials concede that the proposals offered the Russians in both the Euromissile and START strategic negotiations have not yet faced the hard choices to be made if the talks are to advance. There seems to be a desire to put those choices off until after the elections to avoid political trouble.

The opposite strategy, to produce a plan for the next round of talks that a large majority can support before elections, thus defusing the issue, would have much better results. As the bipartisan effort on the tax bill showed, doing what is good for the country can bring political benefit too.

Now that he is talking to House Speaker Tip O'Neill, and not just about him, Reagan should move to urgent joint consideration of the next moves for arms control.

The New York Times

Reagan's Liberating Discovery

By David S. Broder

WASHINGTON — Whatever its long-term consequences, the victory President Reagan won last week on the tax bill has redefined his role in the political system. The man who built a successful and long-lived party for himself as the scourge of "the Washington buddy system" (the phrase he used in his 1976 presidential bid) was rescued by the congressional establishment of both parties.

His victory in the House was accomplished with more Democratic than Republican votes (123 to 103). The Senate vote was on more normal partisan lines. But even there, the 11 Republican defectors would have defeated the bill. Had not time Democrats crossed the line to support the president?

Even more striking was the pattern of the vote. Most of the Republican defectors were from the conservative wing, where Reagan has had his spiritual home, and especially from young conservatives, to whom he has been a hero. Five of the 11 dissenting Republican senators were had ridden to victory in 1980 on his coattails.

Meantime, it was the senior people in both parties who called for the president's side. In the House, Speaker Tip O'Neill spoke as powerfully for the bill as did Minority Leader Bob Michel, while Democratic Whip Tom Foley shared vote counts with Republican Whip Trent Lott in the Senate. It was the unlikely partnership of Alan Cranston and Howard Baker, Ted Kennedy and Bob Dole, that turned the tide for Reagan.

That all this occurred 75 days before the election — and on a measure relating directly to the economic crisis the Democrats have chosen as their main issue — makes it all the more extraordinary.

What did the Democrats get for their good deed? Well, they avoided the denunciations they would have received and deserved if they had helped kill the tax bill for narrow partisan reasons. As Rep. Leon E. Panetta, Democrat of California, put it, the tax bill "has the most significant reforms" in more than a decade.

But realistic Democrats do not expect any more than that. In district after district, Republicans will still run ads saying the "choice is too good to pass" on the new path of efficiency Reagan or return to the old tax-and-spend policies of Tip O'Neill.

Realistically, Democrats know, too, that they have given added leverage to Reagan on the spending issues that lie ahead. The budget and tax bills passed last week contain \$30 billion in spending cuts, and that is just a down payment on larger cuts to come.

Most people think the pattern of last week's vote is not likely to be repeated soon. White House Counselor Edwin Meese 3d said, "It is a one-time coming together, rather than a long-term coalition."

Rep. Newt Gingrich, Republican of Georgia, one of the young conservatives who broke with Reagan on this issue, said, "I think we'll be back in two weeks, ready to fight the Democrats. If the president decides on a veto strategy this fall [to enforce spending cuts], it will be impossible for him to be allied with half the people who voted for this tax bill."

That talk is persuasive, and yet one wonders if this past week was not a psychological landmark in the Reagan presidency.

For the first time, he governed against his fellow-conservatives. For many, many years, he had built a special relationship with the young, anti-establishment conservatives, addressing countless Young Republican and Young Americans for Freedom conventions. Those are the people he broke with last week; it was not just Jack Kemp, the closest thing to a political heir he had, but that whole generation.

Of the 88 freshmen and sophomore House Republicans, 52 voted against Reagan. In a moment of exasperation before the vote, Reagan told some of them, "Grow up, conservatives," quoting Barry Goldwater's famous line from the 1960 Republican Convention.

Ronald Reagan is outgrowing his own rhetoric as he faces the responsibility of governing. Last week, he rose above principle, not just in pushing the tax increase but in endorsing an agreement with China on future arms for Taiwan that almost surely will end Taiwan's toward eventual absorption into China.

Rep. Barber B. Conable Jr., Republican of New York, has remarked that Reagan has a knack for "keeping the rhetoric of liberating children, but for which he feels nostalgia, in a separate, watertight compartment from the decisions he has to make as president governing in the real world."

Last week, Reagan discovered that he could win a vital real-world victory with the help of those who recognize those realities, even when his old conservative soul mates were quoting his own rhetoric against him.

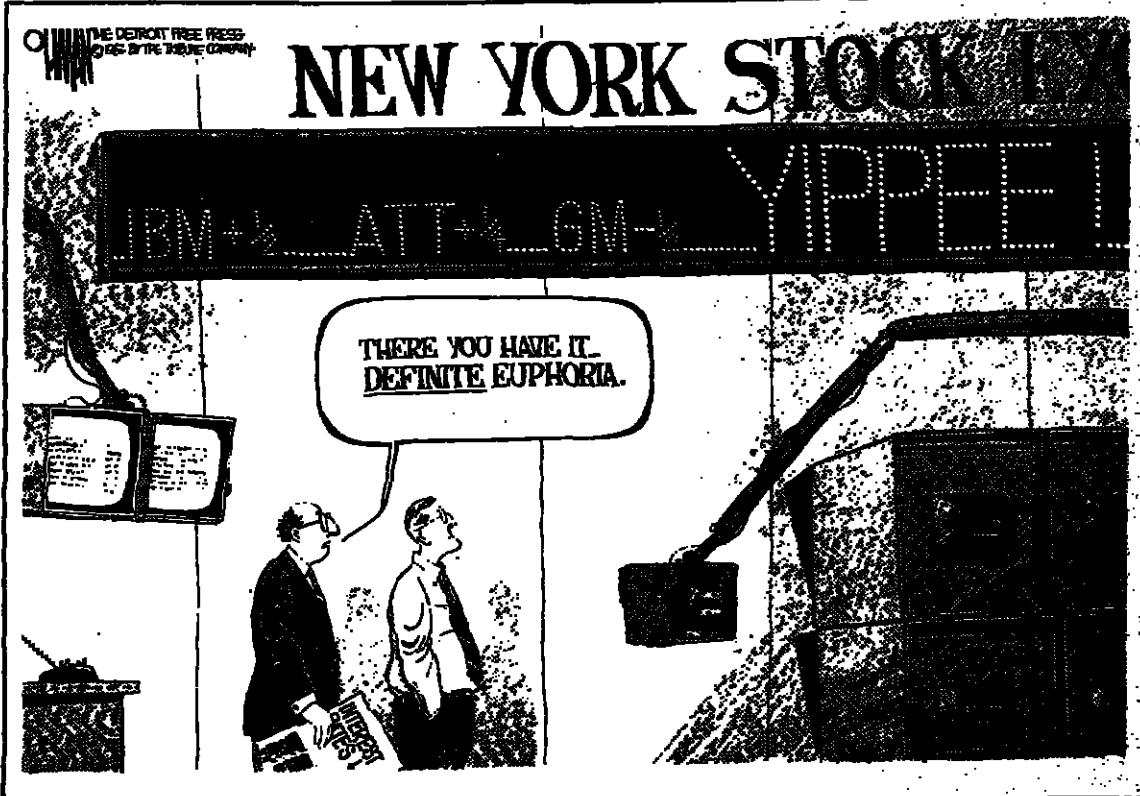
It will be surprising if that disconnecting, but liberating, discovery does not affect his actions in the remainder of his presidency.

The Washington Post

HANS SPROB

Cologne

Letters intended for publication should be addressed to the editor and contain the writer's signature, name and address. Brief letters receive priority, and letters may be abridged. We cannot acknowledge all letters, but we value the views of the reader who submits them.



Which Option Will Israel Take in Lebanon?

By William Pfaff

PARIS — The prolonged first phase of Lebanon's crisis focused on the fate of the Palestinians. Phase Two concerns what happens to Lebanon itself, and that phase is just beginning.

Even if the Palestinians in the north of Lebanon are also peacefully evacuated and the problem of the Syrian occupation force is resolved, Israel will certainly not retreat to its borders and leave Lebanon to its own devices. The Israelis (and the U.S. government) want a "strong and independent" Lebanon. That is a splendid objective. How is it to be obtained? What will be the quality of this strength and of this autonomy? A strong and independent Lebanon allied to the Arab world, which presumably would be the wish of the Muslim majority in the country, is not what Jerusalem or Washington have in mind.

Nor do Israel and the United States agree on what they do want. It seems that Israel wishes to see Lebanon under the control of Christian Lebanese willing to ally themselves with Israel and maintain Lebanon a buffer state between Israel and Syria. They want an ally in Lebanon, effectively a client or dependent state, possibly a partitioned one. The division of the country into Israeli and Syrian dependencies is certainly a possibility.

Washington draws the line at the creation of a mere puppet regime, kept in power by Israel's army. The United States wants to see a pro-Western government, free of Palestinian influence, at peace with Israel but also one that makes a reasonable claim to legitimacy and to the loyalty of its population, Moslems and Druze as well as Christians. To install one community as rulers of the rest would simply perpetuate the old civil struggle — unless really drastic measures were taken, population transfers as well as national partition.

The ruinous civil war in Lebanon was touched off by the installation of Palestinians as a state-within-the-state and the support that the Palestinians then gave to left-wing Moslem groups. But that

merely catalyzed an explosive concoction, mixed long before the Palestinian arrival. The Christian-Muslim division of power, with its subdivision among Sunnis and Shiites, Druze and Christian factions, had always been extremely fragile.

It originated in the unwritten 1943 "national pact" between Maronite Christians and Sunni Moslems that assigned national offices to the individual communities according to the popular strength they possessed in the last census taken under the authority of the French Mandate.

That was essentially a settlement between the powerful. There actually are 17 officially recognized communities in Lebanon. The Maronites, while by far the majority Christians, are not the only Christian community in Lebanon, and they themselves are politically divided. The Phalangites, now the most prominent Christian group, a political rather than communal formation, is opposed by more liberal Christians. The Shiite Moslems, the Moslem community's poor relations in the past, now challenge the Sunnis.

The old arrangement was also undermined by differential population growth, which caused the Moslems as a whole to be increasingly under-represented, and by economic differences between the communities, which saw the Christians mostly prosperous and dominant in Lebanon's commerce, the Moslems poorer and the Shiite Moslems poorest and most resentful of the major groups.

Israel's intervention at best sets the Lebanese free to resume their own quarrels, without Palestinian and Syrian forces in the country. It substitutes Israeli armed force as the new element in the mixture. It does not mean, as some Israelis seem to think, that peace will break out in Lebanon.

Israel made the gamble, at the beginning, that war can bring peace — that to extend the battle-

field will eventually shrink it, that to take on new enemies can eventually produce new allies.

One can readily understand what Gen. Ariel Sharon wanted from the strike into Lebanon. He meant to shatter the Palestinians, drive them out, and their power and put Lebanon under the control of people who would see that their interests lay in collaboration with Israel.

The last goal is the hardest to accomplish. Not all of Lebanon's Christians are Maj. Haddad's, whose enmity for their Lebanese enemies is enough to make them friends of Israel. Not all are sufficiently cynical (or unrealistic) to think that they can manipulate Israelis as well as Lebanese, and end as masters of the game. It seems possible that Bashir Gemayel, the Phalangist leader and newly named president, may have that idea. If the Israelis promote a Lebanese faction to power, they will make the important decisions. They would be fools to do otherwise.

The choice is Israel's, since it is now the power on the ground and has made it plain that it follows its own counsel. Israel could take the chance of allowing a more or less free play of political forces in Lebanon, and content itself with its 40-mile-deep security zone and the tacit influence in Lebanese affairs provided by what it has already done in the country. Or it can try to make Lebanon into a satellite of Israel.

The latter option is the kind of solution that looks good in the short run. Perhaps it is unrealistic to expect governments under pressure to think of more than the short run.

Former Foreign Minister Abba Eban wrote a few days ago in The Jerusalem Post that Israel's most urgent task "is to say goodbye to Beirut. We have nothing good to do or to expect there. It is foreign soil, foreign soil, foreign soil."

Israel made the gamble, at the beginning, that war can bring peace — that to extend the battle-

International Herald Tribune

U.S. Protection of Steel Industry May Backfire

By Robert J. Samuelson

WASHINGTON — What is going on in steel these days underlines the absurdity of American trade laws. The government is about to give substantial protection to U.S. steel companies and workers. What will it get in return? Nothing except, perhaps, this: European retaliation against U.S. exports — food, chemicals and textiles.

This does not look like a good bargain because it is not. The straitjacket of U.S. trade laws, however, is forcing the Reagan administration into it. The laws have taken on an independent existence increasingly removed from their original purpose: to promote American economic well-being.

What is wrong with the trade laws is that they have cut trade into a legal framework. They have made it a matter of rights and wrongs, as if trade were cops and robbers. You discover wrongdoing and punish it. Trade is not about the law, but about national economic and political interests. The current laws have got it backward and need to be changed to reflect that.

Industries generally do not get in trouble because they have trade problems. They have trade problems because they are in trouble. The auto industry, for example, suffers not primarily from an import penetration of 28 percent (up from 17 percent in 1978) but from a one-third drop in demand since 1978.

The recession and high interest rates explain a part of the slump, but its depth and duration reflect something else: high prices. In 1981, the average new car cost \$8,850, according to the National Association of Automobile Dealers. That was 27 percent more than in 1979. Prices are still going up. Why?

Labor is overpaid. Average costs now run about \$20 an hour. At the same time, management has been sloppy. A recent study by the National Academy of Engineering cites estimates that Japanese productivity may

be 40 percent to 50 percent higher than American.

Solving trade problems does not necessarily solve basic economic problems. Indeed, a preoccupation with trade may aggravate the underlying distress by deluding managers and workers that the source of trouble is trade when it is not.

What the administration needs in its trade laws is the ability to ask for something in return for providing relief. It needs to be able to say: "Okay, you have trade problems. But you don't try to take care of them, you don't deserve trade relief and it won't do you any good."

Now this power is severely limited. The administration must impose import duties if imports are found to be either subsidized or "dumped" (generally, that is when they are sold in the United States at lower prices than in their domestic markets). Only when an industry wants relief without alleging either dumping or subsidies does the administration have discretion. Even then, little has ever been asked of businesses or labor.

Steel highlights these problems. Saying the industry is in trouble is like saying water is wet. Employment is down more than 100,000 (about a fourth) over the past year. Mills are operating at 40 percent of capacity. At the U.S. Steel Corp., steel-making operations lost an estimated \$350 million in the second quarter alone, according to Oppenheimer & Co.

For relief, the steelmakers have filed numerous dumping and subsidy complaints against European producers. In general, the Commerce Department and the International Trade Commission have upheld the complaints and ruled the Europeans liable for duties ranging from a few percentage points to more than 40 percent. Such duties would shut many Europeans out of the U.S. market.

Would that solve the U.S. industry's problems? Hardly. European imports are about 6 percent of U.S. consumption, and duties on some producers are small. These producers might expand and recoup sales lost by other Europeans. Japanese firms (and denying these benefits to consumers) is to save U.S. producers. When those producers and their workers — are destroying themselves, there is little justification.

Government meddling in business is generally a bad thing. Industries and workers ought to turn to government only as a last resort when their need is compelling. Congress, sadly, is going in the opposite direction. In the 1974 and 1979 trade laws, it made trade relief more automatic. This promises to stir more trade disputes without solving the nation's industrial problems. Where there are rights without responsibilities, there is irresponsibility.

National Journal

A basic problem of the industry is a perpetual profits squeeze that makes it uncompetitive in price and frustrates modernization. Labor costs, roughly 35 to 40 percent of the total, are a big source of the trouble. Hourly costs now exceed \$23, up from \$14 in 1978. And they will continue to increase.

The government needs the power to compel unions and companies to deserve trade protection. One of the reasons the Chrysler Corp. has staged a modest recovery is that the govern-

ment imposed requirements on workers (including wage restraint), the company and its suppliers as a condition for providing a \$1.5-billion loan guarantee.

When other countries subsidize exports to the United States, U.S. consumers benefit in lower prices. The only justification for imposing duties (and denying these benefits to consumers) is to save U.S. producers. When those producers and their workers — are destroying themselves, there is little justification.

Government meddling in business is generally a bad thing. Industries and workers ought to turn to government only as a last resort when their need is compelling.

Congress, sadly, is going in the opposite direction. In the 1974 and 1979 trade laws, it made trade relief more automatic. This promises to stir more trade disputes without solving the nation's industrial problems. Where there are rights without responsibilities, there is irresponsibility.

National Journal

Economic Growth

Regarding "Help Wanted: Economist" (JHT, Aug. 6): The Washington Post editorial unfortunately confused rather than clarified public understanding by asserting that "No one in any country has found a way — in the U.S. or in any other country — to bring down unemployment and inflation together."

In both Austria and Switzerland inflation has been controlled and employment maintained because government, industry and the unions cooperate to keep people at work at agreed wage, price and profit levels (and with low interest rates). Moreover the U.S. had great eco-

nomic growth and little inflation for decades with low interest rates and with government budget deficits most of the time, which completely contradicts the assertion that there is "a fundamental collision" between the two.

This kind of mumbo jumbo ignores the fundamental fact that we have the human and material resources to continue economic growth and that our real problem is to organize ourselves so as to realize our potentialities.

ALFRED E. DAVIDSON

New Jersey

Dresden Bombing

Regarding "Cities Destroyed" (Letters, JHT, Aug. 5): So not only were the inhabitants of Dresden evil

AUG. 25: FROM OUR PAGES 75 AND 50 YEARS AGO

1907: Shipping Price War

NEW YORK — The rate war between the German and the Cunard steamship lines has begun in earnest, and the minimum rate of first-class passage of express steamships of the Hamburg-American and North-German Lloyd lines is now out from \$117.50 to \$95. For the North-German Lloyd line, Herman Winter, acting manager, said the minimum rate eastward will be \$95 by the company's finest express steamships, the Kronprinzessin Cecilie, Kaiser Wilhelm II and Kaiser Wilhelm der Grosse. On other twice-a-week steamships of the line the rate will be \$70. Julius Meyer, general agent for the Hamburg-American line, announced the cut of the North-German Lloyd will be met in every way.

1932: War on the Atom

BERLIN — War on the uranium atom — the heaviest known element — has been declared by two young physicists here, Fritz Lange and Arno Brasch, who are training their guns in the Physics Institute of the Berlin University in the form of an apparatus capable of developing several million volts. They have already broken up the lead atom, the second heaviest metal, with 2.45 million volts. The new apparatus will also be used to discharge beta particles for cancer treatment, which will be used for the first time in Berlin as a remedy for the disease in human beings. The particles are said to penetrate the skin much more deeply than any of the rays obtained from radium.

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INSIGHTS

A Reporter's Diary in Poland: Three Years of Dreams and Fears

During his three years as chief of the Warsaw bureau for The New York Times, John Darnton has witnessed profound upheavals in Poland, ranging from the emergence of Solidarity to the martial-law crackdown. In this excerpt from an article written for The New York Times Magazine on the eve of his departure from the assignment, he recalls those years and analyzes the impact of the Soviet-imposed crackdown, which, he is convinced, "is far from over."

By John Darnton

New York Times Service

WARSAW. — This is the third Poland I have seen in nearly three years here. First, there was the Poland of Edward Gierk, the former party chairman with his ambitious development schemes, who is now in disgrace. That was a time of cynicism, apathy and pretense — and of prosperity disappearing before everyone's eyes like milk down a drain. Then there was the Poland of Solidarity and Lech Walesa. It was a time when horizons suddenly opened up, the blinkers came off, and there was hope of creating a livable, productive, non-schizophrenic society within the Soviet bloc.

And now the Poland of Gen. Wojciech Jaruzelski, a Poland of tanks and underground leaflets, where the structures of control are in place, but just barely — a crumbling facade with a scaffold around it. In this new Poland, the fear and the dream commingle and everyone waits for something to happen — something.

September, 1979

An official guide is showing me around. He seems a bit defensive about my interest in the 200,000 Jews who lived in Warsaw before the Holocaust. He shows me where the tracks were of the trains that took them off to Treblinka.

The raised foundations of earth under the high-rise apartments of the former ghetto still contain human bones. The monument to the heroes of the ghetto uprising is built with the very same granite that Hitler had planned to use to commemorate the liquidation of Poland's Jews. The monument is impressive. But it is the only one in Warsaw without flowers.

November, 1979

The town of Czochowice-Dziedzice, in the mining region of Silesia. There has been an explosion at a mine. Two men are dead and 20 are trapped in a tunnel 600 feet (180 meters) underground, where a methane-gas fire is still raging.

It is the third mine disaster in the past month; in all, 43 lives have been lost. The accidents coincide with a new brigade system that keeps the mines going 24 hours a day, seven days a week. The government is desperate for foreign exchange; it is squeezing the miners for more and more of its "black gold."

August, 1980

When the revolt comes, it is deeper and more disciplined than anyone expected. At the Lenin shipyard in Gdansk, the strikers' faces are dirt-streaked but radiant, solemn and light-hearted at the same time. The workers lounge about on the grass, listening to their leaders on loudspeakers and, on transistor radios, to the BBC, Voice of America and Radio Free Europe.

The hall swarms with delegates from other factories joining the strike. The delegates sit at long tables, as at a banquet — dockworkers, shipbuilders, tool-and-die machinists, assembly-line workers, bus drivers.

Lech Walesa is rushing around, hobnobbing his hand in hurried conferences, giving orders, grabbing the microphone to calm the workers with joking banter. Only a month ago he was an unknown, unemployed, activist for the minuscule Baltic Coast Free Trade Union.

August 26, 1980

The strikes are still on. Cardinal Stefan Wyszyński, the primate of Poland, delivers a sermon that is actually broadcast over state television. A group of workers in the Gdynia shipyard is huddled in a room, hanging on his every word. He is the workers' spiritual monarch, for 30 years the only authority they have respected. (Cardinal Wyszyński died in May, 1981.)

Cardinal Wyszyński calls for peace, calm, reason, respect. True, he criticizes the government, but he warns the strikers could "pose a threat to the nation; he pleads for workers to be patient and postpone some of their demands.

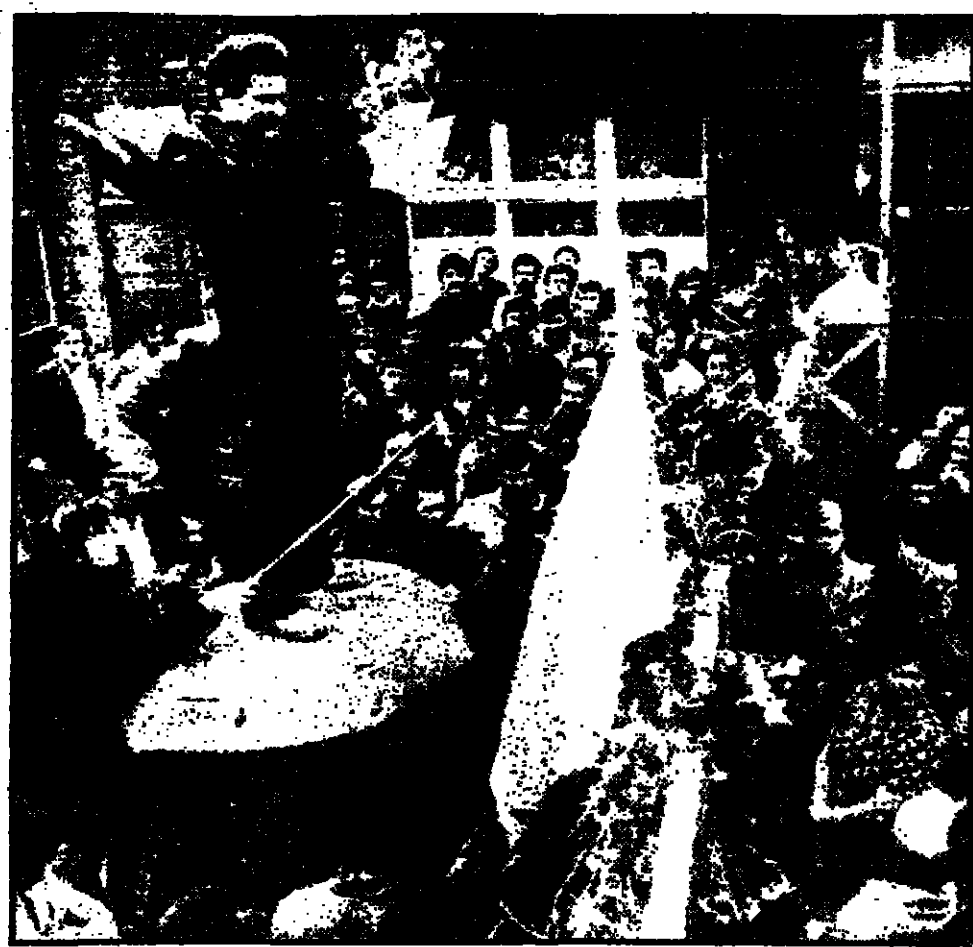
We, in Egypt, have more reason to be particularly alarmed.

We took the pioneering steps on the road to peace. We accepted tremendous risks. We undertook the unthinkable. The basic premise behind our policy was that peace will gain new converts every day. Peace was the only road to a better future. Through the first encounter with peace, Israelis and Arabs would bury their prejudices and begin to learn to live together as good neighbors and friends. A new commonality of interest would emerge. Certainly, disagreements would still exist. But sharp conflict involving war and violence would give way to a new spirit of reconciliation and accommodation.

No More Wars

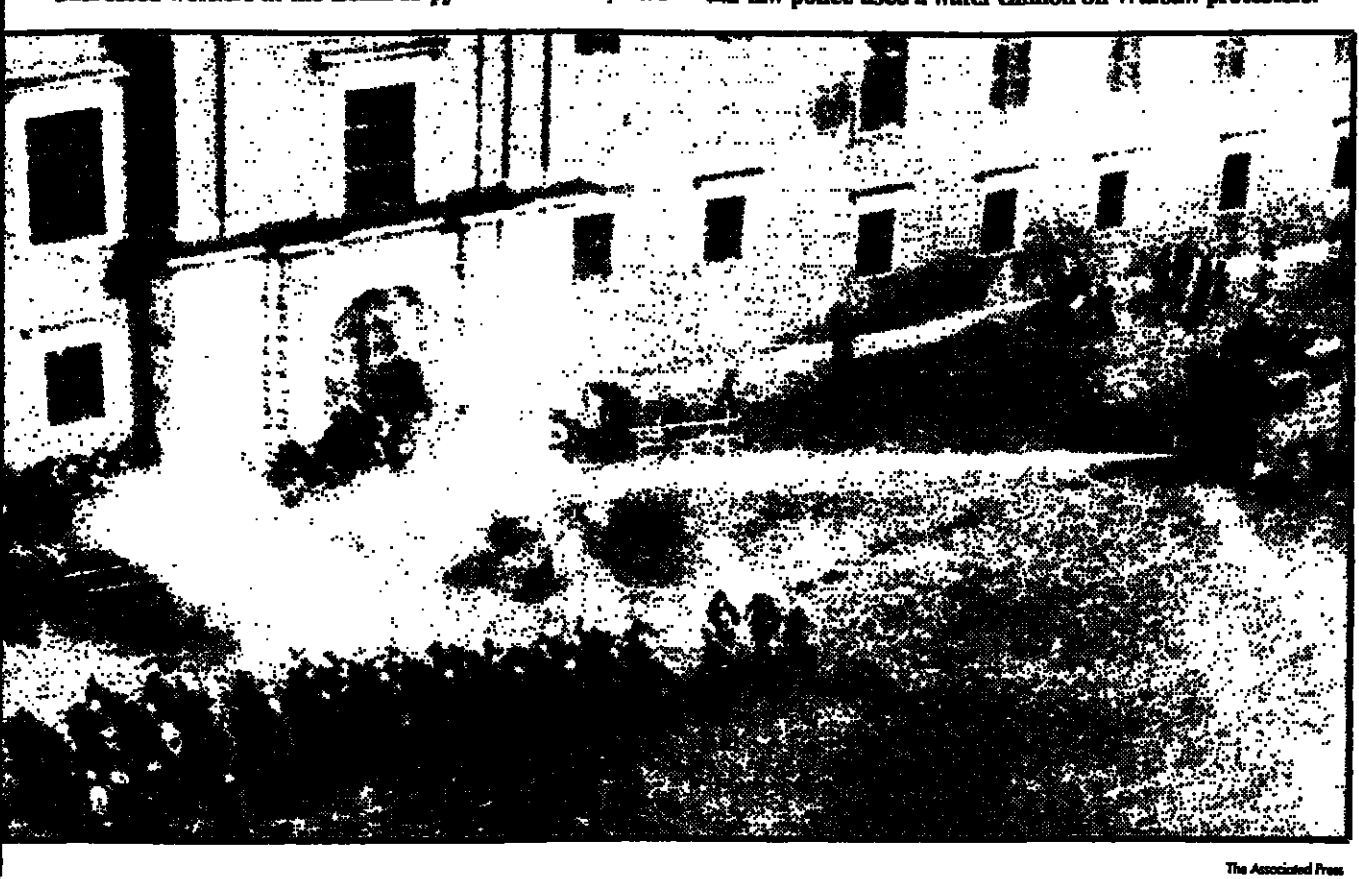
That was the underlying philosophy of the Camp David framework for peace in the Middle East. No more wars, not only between Israel and Egypt, but between the Jewish state and all its neighbors who are willing to live in peace with it. The all-out invasion of a small Arab country, the indiscriminate shelling of cities and abhorrent loss of life and property can never serve that cause.

The United States has every reason to be



Poland's bright hopes of August, 1980, when Lech Walesa addressed workers at the Lenin shipyard in Gdansk, have

given way to the harsh realities of this May, when martial-law police used a water cannon on Warsaw protesters.



The speech is of critical importance. The crowd, in so many words, has told the workers to stop. What effect will it have?

The room is silent. A strike leader strides to the front and flips off the television set. "Friends," he says, "as we have just heard, the prime supports us right down the line."

A roar of applause and cheers. I learn, at that moment, a fundamental truth about the Roman Catholic Church in Poland. It resides so deeply in the people's hearts that it can never be uprooted. When its words come into conflict with its own image, they are not ignored, they are magically transposed. The image is stronger; it is, in a sense, the real church.

Five days later, Solidarity is born.

October, 1980

The country is opening up — a headlong tide. New groups are forming. Liberals, reformers, even radicals, are taking over institutions, such as the journalists' union, that have been instruments of party control.

Yet all this is unfolding peacefully, methodically, even democratically. It all seems part of what Jacek Kuron, the brilliant, barrel-chested dissident, calls a "self-limiting revolution." The idea is to turn the authorities upside down without overthrowing them — to transform Poland without disturbing the geopolitical balance and bringing in the Russians. It is a tricky business.

December, 1980

Things are moving fast. Films previously banned by the censor are shown on television. Universities are preparing to choose their own rectors by democratic elections. Parliament is becoming freer. There is a kind of national euphoria; the whole country resembles a university coffeehouse plunged into frenetic discussions about unions, socialism, society.

New Year's Eve is a frenzied round of parties. The toasts become more and more outrageous, the champagne spills onto the floor. Jan, my sardonic friend, raises his glass and says, "And to you, as a journalist, I wish a Soviet invasion." Our friends laugh. It is too unthinkable.

January, 1981

Breakfast with Lech Walesa at the Solec Hotel. Two busloads of Soviet tourists pull up. They enter. How will they react when they find the devil incarnate, the man threatening to bring down their empire?

They sit down. They order breakfast. They eat. Nothing happens. Of course they know the

name, but not the face: He is so dangerous that they've never been shown a picture of him.

I look at Mr. Walesa and I realize that I know the face but not the man. How many times have I interviewed him? Maybe 10 or 15. How many times have I seen him sitting in his office, presiding at meetings, speaking to crowds? Maybe 30 or 40. And yet he remains elusive.

The legend of Mr. Walesa as dyed-in-the-wool worker, churchgoer, folk hero is beginning to overshadow the man. He is, without doubt, a gifted leader — courageous, instinctive, articulate. But there is a darker side to his nature — his dictatorial tendencies, his pettiness, his intolerance. These traits have been coming to the fore, affecting his leadership. Some of his top lieutenants are becoming disenchanted; the movement is in danger of splitting.

Mr. Walesa repeatedly says that it is unity — millions of unarmed workers standing shoulder to shoulder against the state — that has made Solidarity into what it is. If that goes, the union is lost.

February, 1981

The Tomb of the Unknown Soldier in Warsaw's Victory Square. The tomb, containing the ashes of a Polish soldier who died in the fighting that repelled a Soviet invasion in 1920, has become a rallying point for all kinds of demonstrations.

On this day, Rural Solidarity, the new independent farmers' union, has been refused legal status by the courts. The farmers are confused and angry. They march to the tomb.

The crowd grows; there are thousands. Speeches start up. Tough, defiant words are shouted. Suddenly, from across the square, come the Polish guards. They march straight for the tomb, right toward the crowd.

Suddenly, the crowd parts, an aisle opens up and, as the soldiers march through, a chant rises: "Long live the Polish Army!" "God bless the army!"

The soldiers take their places. I look at one of them. He is ramrod stiff and expressionless. But tears flow down his cheeks.

December, 1981

Back in August, 1980, our maid, Kasia Trzciniecka, suggested matter-of-factly that I should meet her son Jurek. I put her off. A few weeks later, she raised the subject again.

Not long after that, her son telephoned. "I'm coming to Warsaw tomorrow," he an-

nounced. "I'll be driving down with some other people. Lech Walesa, Bogdan Lis, a few others. You see, we have this new union we're trying to get registered."

Jurek Trzciniecki, it turned out, was a top Solidarity leader. From Jurek I derived my respect for the integrity, courage and basic level-headedness of the Polish working class. Night after night, he explained the goals — not to drag Poland out of the Warsaw Pact, not to overthrow the state, but to set things right. "We just want a decent country," he would say.

Dec. 13, 1981

Martial law came down like a sledgehammer. It caught everyone off guard. Many of our friends were dragged out of bed, some not even given time to put on their shoes. When Mr. Walesa was seized at his Gdansk apartment in the early hours of Dec. 13 and flown to Warsaw, he was convinced, reliable sources told me later, that he was going to be thrown out of the plane.

Jurek evaded arrest and went into hiding. The key to the operation was isolation. The whole nation was cut off from the rest of the world and plunged into a blackout. All communications were severed, all travel banned, every division within a factory. The power of the union lay in numbers and concerted action, which depended on communication, openness and visibility. Once these were blotted out with curfews, roadblocks, dead telephones and jammed radio broadcasts, the power dissipated.

The generals did more than arrest 6,000 Solidarity leaders and supporters. Figuratively, they placed the entire population under arrest.

January, 1982

For Western journalists, accustomed to freedoms of news coverage unthinkable in the rest of the Soviet bloc, it is as if a tight net has been drawn around the country overnight. Borders are sealed to all but a departing trickle of foreigners. Telexes and telephones are dead. Within days, heavy-handed censorship is instituted.

We are followed and at times harassed. My Volvo begins getting flat tires from nails, screws and sharpened belt buckles. The police spread the word that anyone passing petitions or information to Western journalists is liable to being charged with treason and could draw a 15-year prison sentence.

The journalists' major preoccupation is getting the story out. There is a single secret channel available one day. We use it for a pooled dispatch, which goes to every newspaper and radio station in the United States that asks for it. Slipping other stories past border guards strains ingenuity, especially since the authorities begin strip-searching suspicious-looking passengers at the airport.

One of my stories gets out on a ferry to Sweden. Another is slipped under a cushion in a railroad car that goes through East Germany. A third is stuffed into the bottom of a Marlboro cigarette pack that is then ressealed. There is no way of knowing which of them, if any, reaches New York.

Finally, I hit upon a surefire system. Because there are no facilities in Poland for developing color film, the Poles permit some photographers to send their film out undeveloped. The photographers are closely watched anyway, so the film is deemed safe. One of them photographs three of my stories; the undeveloped roll is passed by the censor and ends up in Bonn, where a lab technician, in developing the film, finds a message to pass the copy on to New York.

April, 1982

Martial law has solved nothing, because the government has done nothing. So far, it has moved neither to create a "national accord" nor to outlaw Solidarity outright.

Officials parrot the line that Poland was on the verge of civil war, that anarchy was threatening to suck it under, and that martial law was a last, desperate chance to save the nation. But they have difficulty mustering evidence to support these assertions.

Certainly there was no "anarchy" in the streets, nor was there any sign of an opposition ready to take up arms. There was, on the other hand, widespread realization that the political situation was veering out of control and that Solidarity was again preparing to mount a challenge to the party.

This has led to the notion among some observers in the West that Solidarity brought on martial law by going "too far" in its demands. But it could also be argued that the party went back on the power-sharing arrangement struck in Gdansk in August, 1980. Most of the 21 original demands of the Lenin shipyard strikers remained unfulfilled.

Faced with the party's intransigence, Solidarity's leadership adopted more radical stances and did battle over once-untouchable issues. But the extremists in the union never

really gained control. And the union's actions had a way of ending up more moderate than its rhetoric.

At the end, the union tried — naively, it turned out — to bypass the Polish party altogether and address itself directly to Moscow. This was the significance of Solidarity's call at its final meeting, on Dec. 12, 1981, for a national referendum on membership in the Warsaw Pact.

The meeting was seized on as the pretext for the crackdown, although Western military experts believe that the move must have been planned much earlier, if only for logistical reasons.

In retrospect, the critical turning point came in March, 1981, when the union voted a nationwide general strike to protest police beatings in Bydgoszcz. That was a do-or-die moment, when the union's strength was at a peak, the resolve of the authorities shaky and Moscow's intentions unclear. A general strike, if won, might have forced the authorities into honest cooperation.

Instead, Mr. Walesa and a few other negotiators bypassed the union's democratic decision-making procedures to negotiate a last-minute settlement. This opened up fissures in the movement and strengthened hard-liners in the party. Union negotiators said afterward that the authorities had informed them that the Russians would invade if they did not give way. History may never know if that was true or not.

June, 1982

Jurek, I learn, has been arrested. He has gone on trial in Gdynia with eight other defendants. They are charged with distributing anti-state leaflets and fomenting a strike at a naval academy.

The trial is brief. Even relatives of the accused find it hard to get into the courtroom. Key defense witnesses are not allowed to speak. The sentences are preordained and severe. Jurek is given nine years.

Everyone is slumped in a moral depression. Journalists are being fired left and right. Universities are being purged. People direct their energies toward schemes to get out of the country. No one seems to be doing any work.

I do not know what will happen here; no one does. What everyone knows is that the conflict and the anguish are far from over. Perhaps next time the explosion will be violent. There is not really much to tell Jurek's mother to comfort her, except that there's a chance he will not serve his full nine years, that something will happen before then.

Hosni Mubarak: After Lebanon, Can the Camp David Framework Be Revived?

In an article written for The Washington Post, Egypt's president gives his view of what it will take to get the Middle East peace process back on track. "From the ashes of devastation and destruction," he writes, "we must spare no effort to resurrect the spirit of peace and hope."

By Hosni Mubarak

I AM DEEPLY concerned and worried over the tragic developments in the Middle East. The area is witnessing a catastrophe of unprecedented proportions. The senseless killing and devastation in Lebanon have been destroying the very fabric of life in the entire region. At a time when we were striving tirelessly to heal the wounds of the past, the Israeli invasion came to deepen the rift between Arabs and Israelis and shatter the hopes of millions who were willing to give peace a chance. It awakened old suspicions and misgivings. It revived fears of Israeli expansionism and dealt a devastating blow to the proposition of harmonious coexistence in the area, which gave the world its three major religions. For anyone who is conscious of history, this is a very sad development indeed.

We, in Egypt, have more reason to be particularly alarmed.

We took the pioneering steps on the road to peace. We accepted tremendous risks. We undertook the unthinkable. The basic premise behind our policy was that peace will gain new converts every day. Peace was the only road to a better future. Through the first encounter with peace, Israelis and Arabs would bury their prejudices and begin to learn to live together as good neighbors and friends. A new commonality of interest would emerge. Certainly, disagreements would still exist. But sharp conflict involving war and violence would give way to a new spirit of reconciliation and accommodation.

No More Wars

That was the underlying philosophy of the Camp David framework for peace in the Middle East. No more wars, not only between Israel and Egypt, but between the Jewish state and all its neighbors who are willing to live in peace with it. The all-out invasion of a small Arab country, the indiscriminate shelling of cities and abhorrent loss of life and property can never serve that cause.

The United States has every reason to be

alarmed, too. It is our full partner in the peace process. As a superpower with global interests and responsibilities, it can hardly be indifferent to this unwarranted escalation of violence. It maintains friendly ties with several Arab countries, which provide the West with oil and surplus capital so vital for investment and employment. The United States is a recipient of Arab oil and funds. Most Arab countries do extensive business with American firms, buy American products and employ American experts at their development projects.

Special Relationship

On the other hand, the United States has a special relationship with Israel. That relationship was never adequately defined or clearly perceived. For almost two decades, the United States has been the main supplier of military and financial aid to Israel. It has provided Israel with indispensable diplomatic protection. All these factors combined established a special responsibility on the part of the United States for Israeli policy and conduct, particularly when it involves the large-scale use of American lethal weapons. Most people in the area hold the United States responsible for any Israeli hostile acts and/or unjustified resort to force.

Doubling the Impact

Of course, a careful examination of this bond reveals that it is much more complex and intricate. But the fact remains that a certain perception exists in the minds of hundreds of millions all over the globe.

The present situation in the region must be viewed in the light of all the above-mentioned. Added to it is the fact that two other wars are raging against Arab countries simultaneously with the Israeli invasion of Lebanon. Such wars are doubling the impact of the Israeli use of force at will. Here also, the United States is seen as partly responsible. Aside from that, the United States is the first to suffer from the spread of instability and insecurity in this region for reasons that are too obvious.

Those who are endowed with vision and understanding of history should not confine themselves to analyzing what happened in the past. Rather, the challenge is to look ahead in an attempt to minimize the losses and rekindle hope in the hearts of individuals of good will. In other words, we should look beyond current day-to-day events in order to explore avenues to a better future for all.

"We ought to marshal our political will for a comprehensive settlement that would minimize the damage by enhancing and multiplying the positive."

From the ashes of devastation and destruction, we must spare no effort to resurrect the spirit of peace and hope. Thus, it would be a grave mistake to look at the situation from a narrow angle or in terms of the next few weeks alone.

To be specific, one should mention that we are not confronted merely with the problem of West Beirut and its aftermath or repercussions. Nor are we faced solely with the imperative responsibility to end immediately the Israeli occupation of Lebanon, a country of a delicate balance. Rather, that war brought us squarely before the Palestinian problem in all its aspects.

Foreign Intervention

For years, we have been emphasizing the centrality of that question, not only in the relationship between Arabs and Jews, but also with respect to peace and security in the whole



peace creates a compromise not of defeat, but for victory; it is a compromise of human survival at an equal level of dignity against the irrational forces of dogma and bigotry.

The basic single cause of instability in the Middle East is that the Palestinian people have been left by most of the powers alone, beleaguered and cornered without seeing any way out. They are being denied a home and a homeland and the inalienable right to exercise in that homeland their self-determination in peace. The right of the Israeli people to live in their country recognized and secure does not contradict the right of the Palestinian people to live in their country recognized and secure, too. Both can therefore co-live in peace and harmony. Hence, our call for mutual and simultaneous recognition.

The imposition of dispersion of the Palestinians or the creation of a new wave of refugees will not solve any problem. It will inevitably lead to the radicalization of the Palestinian movement and a victory for the voices of doom and gloom. The Palestinians residing abroad have only one way to go — back to their own homeland. Any other formula would be like administering sedatives to a patient who is suffering from cancer. It will simply not work. We ought to marshal our political will for a comprehensive settlement that would minimize the damage done, by enhancing and multiplying the positive.

Our experience in the protracted autonomy talks has been painful for several reasons. Israel is maintaining a narrow and unbelievably restricted interpretation of the provisions of the "framework." It claims that the self-governing authority should be granted only a few powers and responsibilities despite the preponderance of the Camp David provisions that aim at creating a genuine transfer of power from the Israeli government to the inhabitants of the West Bank and Gaza. In addition, high-ranking Israeli officials have issued certain policy statements that are inconsistent with the spirit and provisions of the "framework."

Israel's Determination

I am referring here to statements expressing Israel's determination to block the establishment of any Palestinian entity at any time in the future. Taken at face value, these statements purport to preclude the issue of determining the final status of the West Bank and Gaza. According to the Camp David formula, that status is to be determined in the course of

the negotiations. In other words, the Israeli statements aim at rendering the transitional arrangement of full autonomy a final settlement.

Equally absurd is the Israeli idea of converting Jordan into a Palestinian state. Such dangerous notions are certain to exacerbate the situation and create new problems at a time when we should double our efforts in the search for a real solution. Jordan is an Arab state with its distinct identity, which is well-established and recognized by the international community. The fact that it hosts a sizable Palestinian community temporarily is of no significance, for this is the case in many Arab countries. The concept is as erroneous as suggesting the establishment of a Palestinian state in Lebanon.

Neither the Palestinian people nor the host Arab peoples accept or even understand strange ideas that widen the gap we have been trying to bridge. These proposals are viewed by Arabs, not excluding the most moderate elements among them, as a transparent cover for expansionist designs. The Palestinian entity should be established on Palestinian land only — i.e., in the West Bank and Gaza. Any negation of this precept is certain to do the cause of peace a disservice.

In addition, the conversion of Arab land into Israeli settlements is causing a steady erosion of good will and hope. Hence, the situation must be remedied by a combination of acts:

- The United States must recognize the right of the Palestinian people to self-determination. It is inconceivable that the American people would deny the Palestinians, out of all peoples, this God-given right. Such denial would be contrary to the fundamental values and the heritage of the American Revolution.
- All settlement activities must be halted.
- Certain confidence-building measures must be taken in order to restore the trust of the Palestinian inhabitants of the West Bank and Gaza.

In the absence of such a new sense of direction, it would be most difficult to resume the autonomy talks or revive the peace process.

It would be another lost opportunity to think that what happened in Beirut and Lebanon in the past few weeks has caused the Palestinian problem to disappear or to be relegated to a secondary position. If anything, it came as a sad reminder that this problem must be addressed in its totality without delay. Only then would we be serving the cause of peace.

Dow Jones Averages

Market Diaries
NYSE AMEXMarket Diaries **AMEX Stock Index**

NYSE		AMEX	
Class	Prev.	Class	Prev.
121.45	129.31	7.80	6.97
949	1,352	397	457
59.56	92.07	4.61	4.97
696	349	219	191
59.85	11.39	2.16	0.52
340	297	223	187
1.996	1,898	839	814
209	237	35	31

NYSE Index

High	Low	Close	Chg
66.57	65.97	66.10	-0
74.95	74.48	74.52	-0
57.73	57.53	57.58	+0

Standard & Poor's Index

	High	Low	Close	Chg/pt
Composite	117.53	114.08	115.34	-0.77
Industrials	131.13	127.77	128.57	-1.01
Utilities	56.72	55.68	56.13	+0.01
Finance	13.24	12.85	13.04	-0.03
Transp.	19.05	18.48	18.73	+0.11

Odd-Lot Trading in N.Y.

	Buy	Sales	Short
Aug 23	221,780	554,243	1,233
Aug 26	156,115	471,865	2,163
Aug 19	152,710	367,818	1,892
Aug 18	256,974	517,357	3,194
Aug 17	137,535	342,904	2,290

*Included in the sales figures

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	63.07	+0.34
Utilities	63.96	+0.68
Industrials	62.06	+0.19

AMEX Most Actives

	Sales	Class
Comet Pri	777,000	3%
Wagon B	394,500	31%
Amo del	181,900	22%
Champ Ho	284,300	3%
Gulf Can 9	278,300	12%
Amel Esp	172,700	13%
Tubos Mex	158,900	1%
Copac Air	138,400	12%
Helzer	132,500	9%
TIE Comm	130,900	19

NYSE Most Actives

	Sales	Close	Chg
Lat Mfg	1,333,700	13%	
Reeb	1,099,000	22%	
Corn	1,059,300	14%	+
	1,090,400	60%	
	1,407,000	47%	
Swace	1,334,500	49%	+
	1,334,100	27%	
T&T	1,011,000	57%	
W&A	922,000	23%	
Short	922,500	14	+
W&F	923,200	16%	
Gen El	933,300	18%	+
W	933,700	26%	
W	915,700	21%	+
rt	907,300	20%	+

Tuesday's NYSE Closing Prices

High	Low	Stock	Div.	Yld.	P/E	Stk.	100s	High	Low	Close	Open	Change
100	98	AA	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AB	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AC	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AD	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AE	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AF	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AG	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AH	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AI	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AJ	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AK	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AL	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AM	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AN	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AO	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AP	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AQ	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AR	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AS	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AT	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AV	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AW	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AX	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AY	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	AZ	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BA	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BB	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BC	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BD	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BE	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BF	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BG	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BH	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BI	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BJ	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BK	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BL	1.00	4.0	10.0	100	100	100	98	100	100	0
100	98	BM	1.00	4.0	10.0	100	100	100	98	100	100	0

(Continued on Page 10)

Tuesday's AMEX Closing Prices

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12 Month						12 Month						12 Month						12 Month					
High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E	High	Low	Stock	Div.	Yld.	P/E
194	140	5				194	140	5				194	140	5				194	140	5			
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JayPL pfd	NYSBEG	WinUn pfa
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POBANK	13.15	14.14	15.25	16.34	17.42	18.49	19.56	20.63	21.70	22.77	23.84	24.91	25.98	27.05	28.12	29.19	30.26	31.33	32.40	33.47	34.54	35.61	36.68	37.75	38.82	39.89	40.96	42.03	43.10	44.17	45.24	46.31	47.38	48.45	49.52	50.59	51.66	52.73	53.80	54.87	55.94	57.01	58.08	59.15	60.22	61.29	62.36	63.43	64.50	65.57	66.64	67.71	68.78	69.85	70.92	71.99	73.06	74.13	75.20	76.27	77.34	78.41	79.48	80.55	81.62	82.69	83.76	84.83	85.90	86.97	88.04	89.11	90.18	91.25	92.32	93.39	94.46	95.53	96.60	97.67	98.74	99.81	100.88	101.95	103.02	104.09	105.16	106.23	107.30	108.37	109.44	110.51	111.58	112.65	113.72	114.79	115.86	116.93	117.99	119.06	120.13	121.20	122.27	123.34	124.41	125.48	126.55	127.62	128.69	129.76	130.83	131.90	132.97	134.04	135.11	136.18	137.25	138.32	139.39	140.46	141.53	142.60	143.67	144.74	145.81	146.88	147.95	149.02	150.09	151.16	152.23	153.30	154.37	155.44	156.51	157.58	158.65	159.72	160.79	161.86	162.93	164.00	165.07	166.14	167.21	168.28	169.35	170.42	171.49	172.56	173.63	174.70	175.77	176.84	177.91	178.98	180.05	181.12	182.19	183.26	184.33	185.40	186.47	187.54	188.61	189.68	190.75	191.82	192.89	193.96	195.03	196.10	197.17	198.24	199.31	200.38	201.45	202.52	203.59	204.66	205.73	206.80	207.87	208.94	210.01	211.08	212.15	213.22	214.29	215.36	216.43	217.50	218.57	219.64	220.71	221.78	222.85	223.92	224.99	226.06	227.13	228.20	229.27	230.34	231.41	232.48	233.55	234.62	235.69	236.76	237.83	238.90	239.97	241.04	242.11	243.18	244.25	245.32	246.39	247.46	248.53	249.60	250.67	251.74	252.81	253.88	254.95	256.02	257.09	258.16	259.23	260.30	261.37	262.44	263.51	264.58	265.65	266.72	267.79	268.86	269.93	271.00	272.07	273.14	274.21	275.28	276.35	277.42	278.49	279.56	280.63	281.70	282.77	283.84	284.91	285.98	287.05	288.12	289.19	290.26	291.33	292.40	293.47	294.54	295.61	296.68	297.75	298.82	299.89	300.96	302.03	303.10	304.17	305.24	306.31	307.38	308.45	309.52	310.59	311.66	312.73	313.80	314.87	315.94	317.01	318.08	319.15	320.22	321.29	322.36	323.43	324.50	325.57	326.64	327.71	328.78	329.85	330.92	331.99	333.06	334.13	335.20	336.27	337.34	338.41	339.48	340.55	341.62	342.69	343.76	344.83	345.90	346.97	348.04	349.11	350.18	351.25	352.32	353.39	354.46	355.53	356.60	357.67	358.74	359.81	360.88	361.95	363.02	364.09	365.16	366.23	367.30	368.37	369.44	370.51	371.58	372.65	373.72	374.79	375.86	376.93	378.00	379.07	380.14	381.21	382.28	383.35	384.42	385.49	386.56	387.63	388.70	389.77	390.84	391.91	392.98	394.05	395.12	396.19	397.26	398.33	399.40	400.47	401.54	402.61	403.68	404.75	405.82	406.89	407.96	409.03	410.10	411.17	412.24	413.31	414.38	415.45	4
POBANK	13.15	14.14	15.25	16.34	17.42	18.49	19.56	20.63	21.70	22.77	23.84	24.91	25.98	27.05	28.12	29.19	30.26	31.33	32.40	33.47	34.54	35.61	36.68	37.75	38.82	39.89	40.96	42.03	43.10	44.17	45.24	46.31	47.38	48.45	49.52	50.59	51.66	52.73	53.80	54.87	55.94	57.01	58.08	59.15	60.22	61.29	62.36	63.43	64.50	65.57	66.64	67.71	68.78	69.85	70.92	71.99	73.06	74.13	75.20	76.27	77.34	78.41	79.48	80.55	81.62	82.69	83.76	84.83	85.90	86.97	88.04	89.11	90.18	91.25	92.32	93.39	94.46	95.53	96.60	97.67	98.74	99.81	100.88	101.95	103.02	104.09	105.16	106.23	107.30	108.37	109.44	110.51	111.58	112.65	113.72	114.79	115.86	116.93	117.99	119.06	120.13	121.20	122.27	123.34	124.41	125.48	126.55	127.62	128.69	129.76	130.83	131.90	132.97	134.04	135.11	136.18	137.25	138.32	139.39	140.46	141.53	142.60	143.67	144.74	145.81	146.88	147.95	149.02	150.09	151.16	152.23	153.30	154.37	155.44	156.51	157.58	158.65	159.72	160.79	161.86	162.93	164.00	165.07	166.14	167.21	168.28	169.35	170.42	171.49	172.56	173.63	174.70	175.77	176.84	177.91	178.98	180.05	181.12	182.19	183.26	184.33	185.40	186.47	187.54	188.61	189.68	190.75	191.82	192.89	193.96	195.03	196.10	197.17	198.24	199.31	200.38	201.45	202.52	203.59	204.66	205.73	206.80	207.87	208.94	210.01	211.08	212.15	213.22	214.29	215.36	216.43	217.50	218.57	219.64	220.71	221.78	222.85	223.92	224.99	226.06	227.13	228.20	229.27	230.34	231.41	232.48	233.55	234.62	235.69	236.76	237.83	238.90	239.97	241.04	242.11	243.18	244.25	245.32	246.39	247.46	248.53	249.60	250.67	251.74	252.81	253.88	254.95	256.02	257.09	258.16	259.23	260.30	261.37	262.44	263.51	264.58	265.65	266.72	267.79	268.86	269.93	271.00	272.07	273.14	274.21	275.28	276.35	277.42	278.49	279.56	280.63	281.70	282.77	283.84	284.91	285.98	287.05	288.12	289.19	290.26	291.33	292.40	293.47	294.54	295.61	296.68	297.75	298.82	299.89	300.96	302.03	303.10	304.17	305.24	306.31	307.38	308.45	309.52	310.59	311.66	312.73	313.80	314.87	315.94	317.01	318.08	319.15	320.22	321.29	322.36	323.43	324.50	325.57	326.64	327.71	328.78	329.85	330.92	331.99	333.06	334.13	335.20	336.27	337.34	338.41	339.48	340.55	341.62	342.69	343.76	344.83	345.90	346.97	348.04	349.11	350.18	351.25	352.32	353.39	354.46	355.53	356.60	357.67	358.74	359.81	360.88	361.95	363.02	364.09	365.16	366.23	367.30	368.37	369.44	370.51	371.58	372.65	373.72	374.79	375.86	376.93	378.00	379.07	380.14	381.21	382.28	383.35	384.42	385.49	386.56	387.63	388.70	389.77	390.84	391.91	392.98	394.05	395.12	396.19	397.26	398.33	399.40	400.47	401.54	402.61	403.68	404.75	405.82	406.89	407.96	409.03	410.10	411.17	412.24	413.31	414.38	415.45	4
POBANK	13.15	14.14	15.25	16.34	17.42	18.49	19.56	20.63	21.70	22.77	23.84	24.91	25.98	27.05	28.12	29.19	30.26	31.33	32.40	33.47	34.54	35.61	36.68	37.75	38.82	39.89	40.96	42.03	43.10	44.17	45.24	46.31	47.38	48.45	49.52	50.59	51.66	52.73	53.80	54.87	55.94	57.01	58.08	59.15	60.22	61.29	62.36	63.43	64.50	65.57	66.64	67.71	68.78	69.85	70.92	71.99	73.06	74.13	75.20	76.27	77.34	78.41	79.48	80.55	81.62	82.69	83.76	84.83	85.90	86.97	88.04	89.11	90.18	91.25	92.32	93.39	94.46	95.53	96.60	97.67	98.74	99.81	100.88	101.95	103.02	104.09	105.16	106.23	107.30	108.37	109.44	110.51	111.58	112.65	113.72	114.79	115.86	116.93	117.99	119.06	120.13	121.20	122.27	123.34	124.41	125.48	126.55	127.62	128.69	129.76	130.83	131.90	132.97	134.04	135.11	136.18	137.25	138.32	139.39	140.46	141.53	142.60	143.67	144.74	145.81	146.88	147.95	149.02	150.09	151.16	152.23	153.30	154.37	155.44	156.51	157.58	158.65	159.72	160.79	161.86	162.93	164.00	165.07	166.14	167.21	168.28	169.35	170.42	171.49	172.56	173.63	174.70	175.77	176.84	177.91	178.98	180.05	181.12	182.19	183.26	184.33	185.40	186.47	187.54	188.61	189.68	190.75	191.82	192.89	193.96	195.03	196.10	197.17	198.24	199.31	200.38	201.45	202.52	203.59	204.66	205.73	206.80	207.87	208.94	210.01	211.08	212.15	213.22	214.29	215.36	216.43	217.50	218.57	219.64	220.71	221.78	222.85	223.92	224.99	226.06	227.13	228.20	229.27	230.34	231.41	232.48	233.55	234.62	235.69	236.76	237.83	238.90	239.97	241.04	242.11	243.18	244.25	245.32	246.39	247.46	248.53	249.60	250.67	251.74	252.81	253.88	254.95	256.02	257.09	258.16	259.23	260.30	261.37	262.44	263.51	264.58	265.65	266.72	267.79	268.86	269.93	271.00	272.07	273.14	274.21	275.28	276.35	277.42	278.49	279.56	280.63	281.70	282.77	283.84	284.91	285.98	287.05	288.12	289.19	290.26	291.33	292.40	293.47	294.54	295.61	296.68	297.75	298.82	299.89	300.96	302.03	303.10	304.17	305.24	306.31	307.38	308.45	309.52	310.59	311.66	312.73	313.80	314.87	315.94	317.01	318.08	319.15	320.22	321.29	322.36	323.43	324.50	325.57	326.64	327.71	328.78	329.85	330.92	331.99	333.06	334.13	335.20	336.27	337.34	338.41	339.48	340.55	341.62	342.69	343.76	344.83	345.90	346.97	348.04	349.11	350.18	351.25	352.32	353.39	354.46	355.53	356.60	357.67	358.74	359.81	360.88	361.95	363.02	364.09	365.16	366.23	367.30	368.37	369.44	370.51	371.58	372.65	373.72	374.79	375.86	376.93	378.00	379.07	380.14	381.21	382.28	383.35	384.42	385.49	386.56	387.63	388.70	389.77	390.84	391.91	392.98	394.05	395.12	396.19	397.26	398.33	399.40	400.47	401.54	402.61	403.68	404.75	405.82	406.89	407.96	409.03	410.10	411.17	412.24	413.31	414.38	415.45	4
POBANK	13.15	14.14	15.25	16.34	17.42	18.49	19.56	20.63	21.70	22.77	23.84	24.91	2																																																																																																																																																																																																																																																																																																																																																																													

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280 Bell and A	289	289 3/4	289 3/4	15
12418 Royal Bank	2796	2796 1/2	2796 1/2	15
280 Fletcher	28	28	28	15

Total Sales 1,144,250 shares.

Canadian Indexes

	Index	Percent
Montreal	5792.55	+0.07
Toronto	5268.10	+0.01

Source: Canadian Stock Exchange, 11:55 a.m. Eastern time today.

SPORTS

Braves Win, 4-3, Tie Dodgers for Lead

Compiled by Our Staff From Dispatches
ATLANTA — The Atlanta Braves continued their drive back to the top by Monday night by winning the Philadelphia Phillies, 4-3, Atlanta's fifth consecutive victory, coupled with a loss by Los Angeles, moved the Braves into a tie with the Dodgers for first place in the National League Western Division.

With one out in the ninth inning and the score at 3-3, Bob Horner smoked a single off the right-field

fly, but Atlanta got the run right back on Horner's RBI single.

Cardinals 11, Dodgers 3
In St. Louis, Gene Tenace had four runs batted in, including a two-run double in a four-run third, and Bob Fosse scattered seven hits over 7 1/2 innings to lead the Cardinals to an 11-3 rout of Los Angeles.

Cubs 8, Giants 5
In Chicago, Bill Buckner went 4-for-4, scored three runs and drove in two to lead the Cubs to an 8-5 victory over San Francisco.

Buckner's four-hit game was his third in his last seven and raised his average to .305.

Reds 6, Expos 2
In Cincinnati, pitcher Frank Pastore hit his first major-league home run and Dan Driessen added a two-run homer to pace the Reds past Montreal, 6-2. Pastore scattered 10 hits, struck out seven and walked one to gain his seventh victory in 16 decisions.

Astros 2, Mets 0
In Houston, Joe Niekro pitched a four-hitter and the Astros took advantage of a wild pitch and a balk to score their runs in a 2-0 whitewash of New York. Niekro (12-9) allowed only four

baserunners in posting his second shutout of the season. It was the Mets' eighth consecutive loss.

Pirates 8, Padres 6
Padres 5, Pirates 3

In Pittsburgh, Sixto Lezcano hit a two-run homer and San Diego overcame a pair of costly errors to beat the Pirates, 5-3, and earn a split of their doubleheader.

Winning pitcher John Candelaria (1-5) and teammates Bill Madlock and Jason Thompson all drove in two runs each in the 8-6 opener. Pittsburgh pulled off the third triple play of the 1982 season in the nightcap's first inning. Gene Richards led off with a single and went to second when Gary Templeton walked. Frate shortstop Dale Berra then made a shoestring catch of a liner by Dave Edwards and threw to Johnny Ray at second to nail Richards; Ray relayed to Thompson, tripping up Templeton at first. Minnesota and the New York Mets have also turned over triple plays this year.

Angels 5, Brewers 3
In the American League, in Anaheim, Calif., Reggie Jackson hit his 30th home run of the year and Mike Witt pitched a seven-hitter as California downed Milwaukee, 5-3.

Tigers 5, A's 1

In Oakland, Calif., Larry Herndon drove in three runs and Glenn Wilson won as Detroit defeated the A's, 5-1. Oakland's Ricky Henderson stole his 115th base.

Indians 5, White Sox 4
In Cleveland, Von Hayes' eighth-inning gave the Indians a 5-4 decision over Chicago.

Rangers 5, Royals 2
In Arlington Texas, Buddy Bell drove in three runs with a single and a double to help Texas beat Kansas City, 5-2.

Red Sox 4, Mariners 3

In Seattle, Reid Nichols' two-run home run in the eighth gave Boston a 4-3 victory over the Mariners.

Yankees 4, Blue Jays 3
In New York, Oscar Gamble and Graig Nettles hit back-to-back homers as the Yankees edged Toronto, 4-3. Trailing, 3-1, in the seventh, New York scored three times off Luis Lee (5-11), who until then had given up only three hits. Lee Mazzilli led off with a single. One out later, Dave Winfield doubled to center to score Mazzilli (Winfield was thrown out trying stretch his hit into a triple). Gamble then hit his 15th home run and Nettles his 13th.

Major League Standings

NATIONAL LEAGUE		Eastern Division		Western Division	
Team	W-L	Pct.	GB	Team	W-L
St. Louis	73-22	.767	—	Los Angeles	68-27
Philadelphia	69-28	.708	3	San Diego	65-32
Atlanta	68-29	.700	4	San Francisco	64-33
Pittsburgh	65-32	.673	7 1/2	Houston	58-40
Chicago	55-42	.568	17 1/2	New York	58-40
New York	58-40	.592	18 1/2		
Western Division					
Atlanta	68-27	.767	—	Los Angeles	68-27
San Diego	65-32	.700	3	San Francisco	64-33
Philadelphia	69-28	.708	4	Houston	58-40
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BASEBALL ROUNDUP

well against reliever Ron Reed. Chris Chambliss followed with a line shot over the head of center fielder Gary Maddox for a game-winning double. Rick Camp (9-7) won the distance for the Braves, allowing one hit.

Philadelphia had tied it in the eighth on Manny Tello's third single of the game and Gary Matthews' 18th home run of the year. The Braves took a 2-0 lead in the fourth on Jerry Royster's single, a sacrifice, a single by Claudell Washington, Dale Murphy's run-scoring single and a sacrifice fly by Horner.

Philadelphia scored a run in the sixth on Mike Schmidt's sacrifice

fly, but Atlanta got the run right back on Horner's RBI single.

Cardinals 11, Dodgers 3
In St. Louis, Gene Tenace had four runs batted in, including a two-run double in a four-run third, and Bob Fosse scattered seven hits over 7 1/2 innings to lead the Cardinals to an 11-3 rout of Los Angeles.

Cubs 8, Giants 5
In Chicago, Bill Buckner went 4-for-4, scored three runs and drove in two to lead the Cubs to an 8-5 victory over San Francisco.

Buckner's four-hit game was his third in his last seven and raised his average to .305.

Reds 6, Expos 2
In Cincinnati, pitcher Frank Pastore hit his first major-league home run and Dan Driessen added a two-run homer to pace the Reds past Montreal, 6-2. Pastore scattered 10 hits, struck out seven and walked one to gain his seventh victory in 16 decisions.

Astros 2, Mets 0
In Houston, Joe Niekro pitched a four-hitter and the Astros took advantage of a wild pitch and a balk to score their runs in a 2-0 whitewash of New York. Niekro (12-9) allowed only four

baserunners in posting his second shutout of the season. It was the Mets' eighth consecutive loss.

Pirates 8, Padres 6
Padres 5, Pirates 3

In Pittsburgh, Sixto Lezcano hit a two-run homer and San Diego overcame a pair of costly errors to beat the Pirates, 5-3, and earn a split of their doubleheader.

Winning pitcher John Candelaria (1-5) and teammates Bill Madlock and Jason Thompson all drove in two runs each in the 8-6 opener. Pittsburgh pulled off the third triple play of the 1982 season in the nightcap's first inning. Gene Richards led off with a single and went to second when Gary Templeton walked. Frate shortstop Dale Berra then made a shoestring catch of a liner by Dave Edwards and threw to Johnny Ray at second to nail Richards; Ray relayed to Thompson, tripping up Templeton at first. Minnesota and the New York Mets have also turned over triple plays this year.

Angels 5, Brewers 3
In the American League, in Anaheim, Calif., Reggie Jackson hit his 30th home run of the year and Mike Witt pitched a seven-hitter as California downed Milwaukee, 5-3.

Tigers 5, A's 1

In Oakland, Calif., Larry Herndon drove in three runs and Glenn Wilson won as Detroit defeated the A's, 5-1. Oakland's Ricky Henderson stole his 115th base.

Indians 5, White Sox 4
In Cleveland, Von Hayes' eighth-inning gave the Indians a 5-4 decision over Chicago.

Rangers 5, Royals 2
In Arlington Texas, Buddy Bell drove in three runs with a single and a double to help Texas beat Kansas City, 5-2.

Red Sox 4, Mariners 3

In Seattle, Reid Nichols' two-run home run in the eighth gave Boston a 4-3 victory over the Mariners.

Yankees 4, Blue Jays 3
In New York, Oscar Gamble and Graig Nettles hit back-to-back homers as the Yankees edged Toronto, 4-3. Trailing, 3-1, in the seventh, New York scored three times off Luis Lee (5-11), who until then had given up only three hits. Lee Mazzilli led off with a single. One out later, Dave Winfield doubled to center to score Mazzilli (Winfield was thrown out trying stretch his hit into a triple). Gamble then hit his 15th home run and Nettles his 13th.

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Stabler, Warned on 'Undesirables,' Free to Sign With Any NFL Team

By Michael Katz
New York Times Staff Writer

NEW YORK — Ken Stabler, whose association with a known gambler was under National Football League investigation for almost a year, has received permission from Commissioner Pete Rozelle to sign with any league team.

At the same time, Rozelle warned the veteran quarterback to avoid "undesirable elements" or be subject to disciplinary action "up to and including suspension."

Rozelle said late Monday that after an extensive league investigation is not merited. "But he said that at a meeting with Stabler Aug. 11, 'I did point out what embarrassment he caused the league.'

"His attitude was that he did not turn his back on anyone who came up to him," Rozelle said in an interview. "But he accepted the fact... that he does live in a fish-bowl."

Rozelle said Stabler had promised to be more careful of his associations.

Stabler, 36, and released last month by the Houston Oilers, was under investigation by the league following an article in The New York Times Aug. 30, 1981, reporting his association with Nick Du-

dich of Perth Amboy, N.J., a convicted bookmaker.

Pat Peppel, director of player negotiations for the New Orleans Saints, said from the club's Vero Beach, Fla., training camp, "Ken's going to come in and I presume we're going to sign him."

"But he's just been waiting for the clearance from the league," Peppel said. But Peppel is the coach of the Saints, who have been seeking experienced quarterback help since Dave Wilson, the backup to Archie Manning, suffered a knee injury in camp that will sideline him for the season.

From at least 1976, when he was a star with the Oakland Raiders, Stabler was frequently seen in Du-

dich's company. Inquiries into the relationship proved inconclusive, but it is against NFL rules for a performer to associate with known gamblers.

In addition, the standard NFL player contract says in part: "Player therefore acknowledges his awareness that if he... knowingly associates with gamblers or gambling activity... the commissioner will have the right, but only after giving Player the opportunity for a hearing at which he may be represented by a counsel of his choice, to fine Player in a reasonable amount, to suspend Player for a period certain or indefinite, and/or to terminate his contract."

But a prominent league official acknowledged Monday that it would be difficult to enforce the rule if a case went to court.

In a statement issued here, Rozelle said: "After a review of all information available to me following an extensive investigation and a private meeting with Ken Stabler, I have concluded that disciplinary action is not merited and that he should be free to sign a contract with an NFL club should he so desire."

"In doing so, I have cautioned him that any return to the NFL is conditioned on his future willingness and ability to maintain total separation, both publicly and privately, between himself and any undesirable elements, and that any lapse may subject him to serious disciplinary action, up to and including suspension from the league. Ken Stabler has assured me of his willingness to do so."

Jim Heffernan, the league's director of public relations, said that in the meeting Aug. 11, Stabler told Rozelle that "Dudich joined him and other people in some meetings, but he denied that anything improper had transpired."

Several persons told The Times last year that they saw Stabler alone in the company of Dudich on various occasions. Rozelle said Stabler had told him that he never

had a "one-on-one appointment" with the gambler.

"The only times he saw him alone," Rozelle said Monday, "was in lobbies and things like that."

Rozelle said he had specifically asked Stabler whether Dudich requested information that might be helpful to a gambler, such as that concerning key injuries and game plans.

"He denied that," said Rozelle. "He said in their talks there was nothing that would be of a gambling nature."

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Transactions

and Mickey Fitzgerald, running back; Ed Leonard, linebacker; Chuck Corbin, cornerback; Chris Combs, tight end; and Bobby Grayson, wide receiver.

OBSERVER

Rattling the Promises

By Russell Baker

NEW YORK — Politicians remind me of Marley's Ghost. Clanking about in Scrooge's bedroom, miserable and gloomy, the Ghost lamented, "I wear the chain I forged in life." Reflecting on President Reagan's present troubles, I fancy him roaming the White House moaning, "I wear the chains I forged in the campaign."



Baker

Most presidents acquire chains in their campaigns, of course, and so do exalted politicians who find that happy talk has suddenly transferred them from the lecture podium, where everything sounds easy, to command centers where nothing seems to work. As a class, politicians are usually quick to shake off the shackles they forged to win votes, but Reagan has been slower than most.

Twenty months after his campaign ended he was still acting like a man who believed his own campaign promise to produce milk and honey by firing the bookkeeper and cutting the milkmaid's salary. "Voodoo economics," George Bush called it before his conversion to vice presidency stifled his talent for snappy phrasemaking.

Now that the president has done his best to make powerful jujitsu, found that the magic doesn't work and done a backflip on tax policy, his conservative followers who believed in the magic are furious with him. It is a fine example of what can happen to a politician lacking the quick-change artist's skill at slipping out of his campaign promises and into something more comfortable.

Canny politicians junk their campaign malarkey as soon as possible after taking office. This allows the people who believed it ample time to get over their pique before the next campaign begins. It also affords time to compensate for any permanent loss of true believers by gathering new support among people who opposed the campaign promises and think you've finally come to your senses.

The best politicians tend to be masters of unshackling themselves from their campaign promises while the votes are still being counted. We've had a lot of presidents in the past 50 years who could have given Reagan a lesson. Franklin Roosevelt, one of Reagan's idols, was told — was one such Roosevelt, believe it or not, campaigned on a pledge to balance the budget.

The case of Lyndon Johnson is even more startling. After a campaign in which he labeled his opponent, Sen. Goldwater, as a dangerous warmonger and presented himself as the father and mother of peace, Johnson waded into the Vietnam war on a scale that was to make it the longest and one of the nastiest in U.S. history.

By these standards, Reagan has been an arthritic slowpoke about shedding his campaign chains. If there were fairness and decency in politics, the conservatives now vilifying him for betraying his promises would instead be praising him for having stayed so long on a rough course.

But politics is not about fairness and decency; it is about finding yourself in a command center where nothing seems to work, and making a few things seem to work anyway. It's this requirement that compelled Reagan to try his belated backflip on economic policy.

At the moment he may sense some danger of receiving poor notices from the historians because of the inflexibility with which he stuck to a radical economic idea that was powerful campaign medicine but always struck a lot of economic traditionalists as rhetorical snake oil.

The astonishing thing about the president is not that he changed course but that it took him so long. For faith-in-own-campaign-creativity, his was a remarkable performance. Contrast it with John Mitchell's advice to the news media — watch what we do, not what we say — when Richard Nixon took office in 1969.

And even the Nixon people, who knew that campaign guff became disposable junk on Election Day, lacked the forthright approach of the late Gov. Earl Long of Louisiana. A.J. Liebling reports that Long, immediately after being elected on a promise to tax taxes, sent the legislature a bill calling for a tax increase.

When an aide protested that it was outrageous and reminded him that he had promised a tax cut, Long explained, "I lied."

New York Times Service

The Seagoing 'Rabbit'

An Escape Artist Tells of His Finest Hour

By Miles Corwin

Los Angeles Times Service

SOLEDAD, Calif. — In early December, if all goes well, John Boswell Waller will be handed a cardboard box filled with personal property, given \$150 and escorted through the electric gates of Soledad state prison.

For Waller, an escorted, scheduled release is a novelty. He is known in prison slang as a "rabbit" — an escape artist.

He has escaped from visiting rooms and work assignments. He has climbed fences. He once slipped away after exchanging identities with an inmate who had security clearance. But his most creative and celebrated escape, the one he calls his finest hour, took him and two confederates outside the maximum security prison at San Quentin during the summer of 1979 in a kayak built for three.

That escape was the first from San Quentin by water. After three months, one of the men was captured, and Waller was caught five months later. The third man was not captured.

Now Waller, serving out his term at Soledad, has offered details for the first time about how the men built a 14-foot kayak on prison property and managed to get away.

His cell is filled with travel brochures from around the world. Wanderlust has been a dominant element in his life. Waller, 40, has been to all 50 states, he said, and has visited 27 countries. But to finance his trips, he broke the law, giving up the thing he valued most in life — freedom to travel aimlessly. Once in prison, he thought of nothing but regaining that freedom — and the cycle would begin anew.

He has been convicted of petty theft, possession of stolen property, grand theft, and armed robbery of \$100,000 worth of stamps from a collector's store. He has escaped from three California prisons and from county jails in Missouri and Louisiana.

"I've always been a dreamer," said Waller, a small, balding man with a dry sense of humor. "When I was a kid, I'd look at a map for hours and promise myself I was going to visit the little pieces of land surrounded by all that blue. It takes a lot of money to travel, and I've always gone for the fastest way."

In late July, 1979, Waller took a break from his prison job in San Quentin's furniture warehouse, near the water. He was sitting on the shore when another inmate approached. The inevitable topic came up: escape.

The other inmate, whom Waller calls "the old man," mentioned that he had once worked for a boat builder.

"It was outrageous; no one would ever suspect it. We talked about the boat possibilities for awhile, but I didn't want to get too tight with him right away," he asked around to determine whether the old man was "loose-lipped." The decision to go ahead.

Because both were "thrust" inmates, they were allowed on the waterfront. They decided on a kayak — a canoe with a sharp bow and stern, but without the usual skin covering — propelled by double-bladed paddles. From shore, they thought, it might appear to be manned by members of a local rowing club.

On Aug. 3, Waller took inventory at the furniture warehouse; almost all the materials needed were there. Because his work was sporadic, supervision was light. Waller and his partner decided to build each part of the boat separately, then assemble it at the last minute.

The old man wanted to "cut a partner in." Waller acquiesced to avoid tension.

On Aug. 4, while the guards sat in a front office, Waller slipped into a back storage room in the warehouse and crawled behind a large stack of lumber to begin work.

The two men began joking about naming the vessel. The old man said "Rabbit-Dub-Dub." Waller added "Marin Yacht Club." It would be funny, they thought, for guards to find the name stenciled onto a smart-looking shield on the side of the boat.

"We knew they'd find the boat, and we wanted to poke a little fun at them."

Waller worked frenetically. Each piece of the boat represented a step toward freedom, but also a piece of evidence, something a guard could use to foil their plan.

On the night of Aug. 8, the three men met. Waller announced that the pieces were ready. They decided to leave the next day within an hour of high tide, about 1:30 p.m. "Unless you've spent any time in a place like this, you can't imagine how bad I wanted to make it; it was almost a physical pain," said Waller, who had been in San Quentin since 1977.

Conditions were ideal the next morning: It was warm and sunny, and there was little wind. Shortly before lunch, Waller gave the old man the high sign. Fifteen minutes later, the three men met in the back of the warehouse. While Waller kept watch, the others assembled the boat.

The men spray-painted one side of the boat royal blue, but to save time, ignored the side that would not face the shore. With orange paint and a stencil, they crowned their creation with the shield and name. "The boat was beautiful," Waller recalled. "I wish my eyes were as blue as that boat."

By the time they finished, about 2 p.m., the wind had picked up and San Francisco Bay was a mass of whitecaps. But they could not wait a day and risk leaving the fully constructed kayak in the warehouse.

Waller grabbed a key, ran outside and started up a two-ton truck that was used to haul furniture. He drove slowly toward the shore, obscuring the vision of the gum tower guards while the other two men carried the kayak to the water. Waller returned the truck and accompanied by the boat.

They paddled furiously for 15 minutes, past a guard tower and into the Corte Madera Channel, which cuts through the Marin Peninsula. The water was choppy; waves splashed over the kayak.



Waller, on the inside.

"The boat didn't leak a drop; we could have paddled to Australia. It was those damn waves over the side. When we finally reached the edge of the property at Q [San Quentin], the son of a bitch sank."

The old man and his friend, who could not swim as well as Waller, held onto the boat and, kicking and paddling, towed the kayak toward shore. Waller swam alongside. They were about 30 feet from shore when a guard spotted them.

The guard, unaware that they were inmates, asked if they needed help. "We're OK," one of the men yelled. "We just lost a couple of oars, but my electric Tims is still running."

Waller reached shore. He called a cab and told the driver his sailboat had just sunk. He was on his way to downtown San Francisco about the time guards conducted the daily 2:45 p.m. head count.

Warden George Sumner created a zone around the prison off-limits to boats. Guards were disciplined and the classification system allowing prisoners to work near the water was changed. Ten days later, at a professional conference in Philadelphia, several warden presented "Commander George Sumner with a model kayak."

For Waller, freedom lasted eight months, until a freak encounter in a Gilroy, Calif., restaurant with a deputy he had once known. He and the other man who was caught were tried, but two proceedings ended in hung juries. An escape charge would have added seven years to Waller's term.

Ed McGill, Waller's court-appointed lawyer, said: "The escape was humorous, clever, but most important in the trial, it was non-violent; it was a folk-hero type thing. The pursuit of freedom is something everyone can empathize with. And Americans love escape stories."

PEOPLE

Borges Laments War

The Argentine writer Jorge Luis Borges, who turned 83 Tuesday, says he is gripped by a post-Falklands depression that feels like an endless nightmare. "I feel very sad about the whole thing, very discouraged," he said at his apartment in Buenos Aires. Borges left Argentina on a six-week trip to Ireland, Switzerland and the United States just before Argentine troops invaded the British-held Falkland Islands in April. As he traveled, he heard of the war preparations with growing disbelief. "Since then, I have had this sense of nightmare lurking over me. I imagine most people in Buenos Aires are as amazed and discouraged as I am," he said. Borges said he believes that the Falklands, which Britain recaptured in June, belong rightfully to Argentina, but that the invasion, taken by perhaps a half-dozen men — ruined Argentina's position.

his sponsors, Kenneth Crutchlow. The trip is expected to take up to a year. Bird and Derick King rowed across the Atlantic in 1974 using the same boat that John Fairfax and Sylvia Cook had rowed three years earlier from San Francisco to Australia.

The California State Labor Commission has awarded the comedian Richard Pryor \$3.1 million in damages against his former agent and manager, David McCoy Franklin. Carl G. Joseph, the hearing commissioner, wrote in his judgment that Franklin, Pryor's agent from 1975 to mid-1980, was "guilty of serious moral turpitude and had 'willfully misappropriated' money that should have gone to Pryor."

White House economic adviser Murray Weidenbaum, who knows how hard it is to keep sensitive information secret, says he has finally found someone who doesn't leak. Weidenbaum, whose resignation as chairman of the Council of Economic Advisors "became" effective this week, said: "More than 30 days before I turned in my resignation, I gave notice to my assistant that I was leaving. So the fact that I was leaving was known in May when President Reagan learned in July. Weidenbaum noted, though, that the husband of his Washington housewife lives far from Washington. He's a member of the Organization for Economic Cooperation and Development in Paris."

U.S. authorities have filed a lien on a farm in Maine half-owned by the writer Norman Mailer because the other owner used the property to guarantee \$75,000 bank on drug charges, then vanished. Richard Stratton was one of 15 persons indicted in April in connection with the seizure of a ship and its cargo, at the farm. Officials said Mailer was not connected with the drug case.

A recurring illness has forced Dolly Parton to cancel concerts and public appearances indefinitely. The country singer went to New York to be examined for gynecological problems, said a spokesman. Beverly Sills, 47, further detailed her ailings, which she reached Brisbane, Australia, without stopping at any ports, said one of her sponsors.

A 34-year-old British photographer who failed 18 months ago to cross the Pacific alone in a rowboat is trying again. Peter Biskind left San Francisco and hoped to reach Brisbane, Australia, without stopping at any ports, said one of his sponsors.

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